An Exploration of Staff Retention Strategies Implemented by the Banking Sector in Laos to Retain Talented Employees

By
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Declaration

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This Thesis entitled: “An exploration of staff retention strategies implemented by the banking sector in Laos to retain talented employees” is submitted in partial fulfilment for the requirements for the Unitec degree of Master of Business.

Principal Supervisor: Alan Lockyer
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Candidate’s declaration

I confirm that:

• This Thesis represents my own work;
• The contribution of supervisors and others to this work was consistent with the Unitec Regulations and Policies.
• Research for this work has been conducted in accordance with the Unitec Research Ethics Committee Policy and Procedures, and has fulfilled any requirements set for this project by the Unitec Research Ethics Committee.

Research Ethics Committee Approval Number: 2018-1035

Candidate Signature: [Signature] Date: 04/06/2019

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Abstract

With the current strong economic growth trend in Laos, investment has been made throughout various industries. This includes the banking sector that has led to the rise of a number of both locally-owned and foreign-owned banks. The reliance on advanced information technology in these banks has been hindered by various obstacles caused by consumers and government regulations. What this implies is that human-workers still play key roles in the banking sector making employee retention, especially with regards to talented employees, become one of the most essential focusing points under the HRM umbrella for the locally-owned and foreign-owned banks in Laos. This is because talented workers are in high demand and are considered to be the brains of these banks, so robust retention strategies need to be in place to retain the star performers.

The purpose of this research thesis was to examine the ways banks in Laos retain their talented employees. Simply put, its main aim was to explore strategies implemented by locally-owned and foreign-owned banks participating in this research thesis to retain their talent through the participants’ lens. To address research questions and objectives, a qualitative research approach was adopted where semi-structured interviews were conducted to extract data from seven participants. Of these, four participants have held HR and Branch Manager’ positions at three selected foreign-owned banks, whereas the three other participants have worked as HR and Training/Development Managers for two locally-owned banks.

Based on the findings, strategies used by the participating banks were both monetary- and non-monetary-focused. From foreign-owned banks, these strategies reflected the roles of HR and line managers, job security, compensation, workplace relationship, demographic change, career development, equal pay, employee involvement, job enrichment, flexible work arrangements, team building, the application of religious beliefs and human capital. For locally-owned banks, the strategies included the use of psychological contract, a lead market pay structure, motivation, promotion, training and development, supportive leadership, job enlargement, work attire, workplace communication and technological involvement. These findings satisfactorily achieved the research aim and objectives as well as provided some clues for the researcher to develop a retention model that can be applied in these banks. Furthermore, six constructive recommendations were given to those banks in order to guide them in strengthening their staff retention strategies.
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To my wife, family and friends, words might be too plain to express what I owe them. Their love and affection foster special strength within me and motivate me to keep moving forward. I love you!
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<td>Asian Development Bank</td>
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<td>BSRP</td>
<td>Banking Sector Reform Programme</td>
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<td>FB1</td>
<td>Foreign-owned bank1</td>
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<td>GDP</td>
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<td>HR</td>
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Chapter One: Introduction

1.1. Introduction

This chapter provided an overview of the research thesis under the research question: “How banks in Laos retain their talented employees?”. First, an outline of the thesis was given. Next, background of the study and problem description were discussed. After that, research’s aim and objectives were articulated. Finally, research questions were presented.

1.2. Outline of the thesis

Six chapters are consisted in this research thesis that can be categorised as following:

Chapter One – articulates an overview of this research thesis in order to conceptualise some initial ideas for readers why this research thesis is carried out. This includes research background, problem statement, aim and objectives, research questions and thesis structure.

Chapter Two – provides a literature review to build basic concepts and understandings about the topic studied, which is employee retention. This means that there are areas where the researcher wants to emphasise in this research what has been explored, analysed, synthesised and critiqued by other researchers previously, in order to find gaps in that existing literature.

Chapter Three – shifts the attention to the research methodology used in this research thesis in which some significant points including research paradigm, research approach, method of data collection and analysis, and ethical issues are explored and discussed.

Chapter Four – lays out the findings from the collected data from the five selected banks through semi-structured interviews.

Chapter Five – discusses the findings from chapter four as well as performing a critical analysis and interprets the findings against the existing literature to create patterns, concepts or adding to the existing body of knowledge.

Chapter Six – concludes the research by summarising the key points within this research thesis. Some recommendations are made for the research participants. Finally, there will be a discussion of the strengths, limitations and future research directions.

1.3. Background of the study

There has been increasing growth in Laos’s economy since the Lao government introduced an open-door policy in 1980s that involved a reduction in tariff rates, red tape and a shift from centralised to market-oriented economy (Tonts & Siddique, 2011). As a result,
Menon and Warr (2013) mention, Laos has experienced gradual economic growth for many consecutive years since the government implemented a market-oriented economic reform plan. Apart from that, the strategic development plan of the Lao government is working towards repositioning Laos away from being the least developed country in the world by 2020 and this drive has also boosted its socio-economic opportunities over the last decades (UNDP, 2013). According to The World Bank (2017), the average GDP growth rate of Laos over the last decade is 7.8% which is considered to be one of the fastest growing economies in South East Asia and the Pacific regions.

The economic growth trend in Laos has attracted investment both locally and internationally. This has led to significant growth in a number of industries and one of those is banking sector. Thus, Lao government has tried to refine its legal document within this sector in alignment with the open market system to increase soundness and competitiveness through the Banking Sector Reform Programme (BSRP) from 2002 to 2009 that was supported by, among other donors, Asian Development Bank (ADB) (Kronenberg, 2011). This helps create a clearer legal foundation for the operation and supervision in this sector. Moreover, “the licensing of foreign and private banks was a crucial element of the Government’s reforms, which introduced greater competition in the banking sector, and, with it, helped bring about a wider array and higher quality of financial services and an increase in the level of financial intermediation” (Kronenberg, 2011, p. 14). As a result, the banking sector has received a lot of attention from both local and foreign investors resulting in the emergence of many banks and financial institutions in Laos. During 2016, the total number of banks in Laos was 42. These banks included: state-owned commercial banks, specialised banks, joint state commercial banks, private banks, subsidiary banks and branches of foreign commercial banks (Bank of the Lao P.D.R, n.d.). Among the various financial institutions available in the market, five selected banks have made a significant contribution to the socioeconomic development in terms of financial services and job creation. Hereinafter, each of the five selected banks in this research thesis will be assigned a pseudonym as FB1, FB2 and FB3 for foreign-owned banks and LB1 and LB2 for locally-owned banks respectively.

One of the first foreign-owned commercial banks entering the Lao market is FB1 that was first launched as a joint venture with a local bank in September 2007. Since then, it progressively purchased the majority of shareholding from the local bank and in August 2010, the bank was fully owned by foreign investor (FB1, n.d.). While FB1 opened in the year 2000, FB2 first operations dated back to August, 1993 making it one of the oldest foreign-owned banks operating in Laos (FB2, n.d.). The years during 2000s marked the launching of many
foreign-owned commercial banks including FB3 that began its operations in July 2008 (FB3, n.d.). In addition to these occurrences, local business people also sensed the opportunity provided by this sector leading to the emergence of some local private-owned banks. One of those was LB1 that was established in March, 2007. This enabled LB1 to become the first commercial bank that is privately owned by a Lao businessman (LB1, n.d.). One of the most prestigious locally-owned bank should be mentioned that is LB2. This is because it is one of the main players in banking sector in Laos that is publicly-owned and has been operating since 1975. This makes it one of the most remarkable state-owned commercial bank in Laos and has become the first company that was listed on the Lao Stock Exchange (LSX) (LB2, n.d.).

Even though there have been many changes in the way the banks operate due to globalisation and technological development, people still play a key role in the banking sector in Laos. This is because services are labour-intensive (Chen, Niu, Wang, Yang, & Tsaur, 2009) where only 22 percent of the Lao population use the Internet (The World Bank, n.d.-b) and the availability of digital financial services is limited making cold cash the most readily used by its people (UNCDF, 2014). Due to consistent growth and high competition in the Lao banking sector, it enables an opportunity for employees to find attractive workplaces that best fit their job expectations, progression and career aims. This implies that staff retention can be challenging in this sector, especially talented workers, because those workers could be highly demanded by many employers at the same time. Because of this, Human Resource Management (HRM) practices within this sector need to be built robustly to ensure that they can retain talent effectively.

According to Armstrong and Taylor (2017), HRM is the art of employing and managing people through the use of scientific study concerning people and organisations to increase organisational effectiveness and fair treatment of workers. HRM involves a varieties of tasks such as attracting potential talent, using effective recruitment strategies, developing and sustaining employees. However, its newer focus seems to shift to employee retention reflecting on the challenges and importance of sustaining high quality workers whose capabilities are difficult to match. McDonald (2018) mentions that organisations need to retain their staff to create long term sustainable competitive advantage. This is because departing employees not only creates excessive expenses in terms of replacement costs and operational disruption but also erodes organisational knowledge and employees’ morale (Yang, Wan, & Fu, 2012). Haesli and Boxall (2005) also argue that recruiting and retaining a pool of talent whose knowledge and skills are valuable and rare could bring distinctive competence and competitive advantage to firms. Even though human capital is considered to be the life blood in organisations and is
one of a few resources that can create sustainable competitive advantage, it is not owned by firms (Nel et al., 2012). This implies that an effective HRM system should be in place in order to keep talent as long as possible.

1.4. Problem description

In a country like Laos where technological development is still low and the access to the Internet is limited, most firms are still dependent mainly on human-centred approaches. Unlike a variety of digital financial services provided by most banks such as internet banking, funds transfer and telegraphic services; these products seem to be accepted in some markets only. This is because, even in large cities, only a small numbers of restaurants, retails shops and shopping centres accept these types of transactions and payments made by using a physical card system. Moreover, the limitation of technological advancement such as low internet coverage and people’s perception about security issues over online financial activities have created barriers against the expansion of these services. This means physical money is still appreciated widely and most popular causing most banks, including the five selected ones for this research thesis, to rely heavily on human workers. This implies that staff retention can become very challenging for them if appropriate strategies like compensation and benefits, job satisfaction, training and development and work culture, to name a few, are not adopted robustly.

Various models are available where organisations can build staff retention based on different organisations preferences to create their own retention practices to ensure the highest output. This is because “in today’s highly competitive labour markets, there is extensive evidence that organisations regardless of size, technological advances, market focus and other factors are facing retention challenges” (Ramlall, 2004, p. 52). Based on this notion, retention can become a tough task for those selected banks in this research thesis, due to intensive demand for talented workers within the baking sector where optimal strategies are required to combat retention issues and high staff turnover percentages.

However, dealing with staff retention is unique especially foreign-owned and locally-owned companies due to such factors as educational and cultural background. As Selmer (2002) argues, while Eastern leaders tend to deal with problems by using passive and indirect approaches, Western leaders are likely to adopt active and direct approaches. Eastern organisations prefer hierarchical structures where power is centred on autocratic leaders who value status and power distance. The latter illustrates poor information sharing within organisations because only a one-way communication is available and workers are unable to
challenge leaders. In contrast, most Western firms adopts flat-structures where workers at all levels are encouraged to share ideas and leaders are not influenced by status and power distance (Selmer, 2002). Because of management differences that may appear within those selected banks that are important to this thesis, it provides a fruitful road to pursue an in-depth study concerning strategies and practical techniques used by them in retaining their valued workers.

1.4.1. Focus of the research

This research will focus on staff retention strategies implemented in five selected banks namely FB1, FB2, FB3, LB1 and LB2. The reason why these financial institutions are selected is that while FB1, FB2 and FB3 are foreign-owned commercial banks from three different countries, LB1 and LB2 are private locally-owned and state-owned commercial banks respectively. As aforementioned, not only foreign-owned banks might employ different staff retention practices from locally-owned banks, private-owned and state-owned banks might operate in opposite directions as well. For instance, Western organisations tend to use horizontal structures and decentralised leadership style. This means power distribution is equal among members and two-way communication is encouraged so workers at any levels can make a contribution and challenge managerial figures. Conversely, in Eastern organisations, power is centred to directors or small groups of managers who make all the decisions in their organisations. This implies that autocratic leadership and a hierarchical structure are preferred where power distance is highly valued and top-down communication is preferably practiced (Selmer, 2002). This means that the selected banks might not follow the same philosophies concerning HRM policies even though operating in the same industry because foreign-owned banks might create their own culture and code of conduct in alignment with their parent companies. Therefore, retention strategies adopted at these banks will be the principal theme of this research thesis.

➢ Research aim

The main aim of this research thesis concerns the staff retention strategies that banks in Laos use to retain talented staff. The research will be conducted by performing a case study of five banks in Laos. This research topic is important because preventing staff turnover as well as protecting talent from leaving, is challenging for all organisations and especially the banking service sector (Gul, Akbar, & Jan, 2012). Moreover, staff retention can become twice as hard for HR managers working in the banking sector that is continually growing and where talented
labour is in high demand. Because of this, it is significant to investigate what retention issues those selected banks face and how they can be overcome to retain top talent. Hence, the research aim is “to establish the staff retention strategies implemented by banks FB1, FB2, FB3, LB1 and LB2 in Laos to retain talented employees”.

➢ Research objectives

To achieve the aim of the research, the following research objectives need to be achieved:

- To investigate how foreign-owned banks FB1, FB2 and FB3 retain their talented employees
- To investigate how locally-owned banks LB1 and LB2 retain their talented employees
- To determine what remuneration and benefit packages are more effective in retaining talented staff at foreign-owned banks FB1, FB2 and FB3 – Financial rewards or non-financial rewards or both
- To determine what remuneration and benefit packages are more effective in retaining talented staff at locally-owned banks LB1 and LB2 – Financial rewards or non-financial rewards or both
- To determine what aspects of career satisfaction are effective in retaining talented staff at foreign-owned banks FB1, FB2 and FB3
- To determine what aspects of career satisfaction are effective in retaining talented staff at locally-owned banks LB1 and LB2
- To determine what aspects of organisational culture are important in motivating talented employees to stay at foreign-owned banks FB1, FB2 and FB3
- To determine what aspects of organisational culture are important in motivating talented employees to stay at locally-owned banks LB1 and LB2

1.5. Research questions

1.5.1. Main research question

To accomplish the aim and objectives of the research, the main research question is formed as:

“How do banks FB1, FB2, FB3, LB1 and LB2 retain their talented employees?”
1.5.2. Sub-research questions

Various sub-research questions are formulated as following in order to establish key details with the intentions of providing clearer and justifiable answers to the main research question so that to enable conclusions to be drawn for this research thesis.

1. What staff retention strategies are implemented by foreign-owned banks FB1, FB2 and FB3 in Laos?
2. What staff retention strategies are implemented by locally-owned banks LB1 and LB2 in Laos?
3. What components of the remuneration packages are effective in retaining talented staff at foreign-owned banks FB1, FB2 and FB3?
4. What components of the remuneration packages are effective in retaining talented staff at locally-owned banks LB1 and LB2?
5. What components of job satisfaction are effective in retaining talent at foreign-owned banks FB1, FB2 and FB3?
6. What components of job satisfaction are effective in retaining talent at locally-owned banks LB1 and LB2?
7. What components of organisational culture motivate talented employees to stay at foreign-owned banks FB1, FB2 and FB3?
8. What components of organisational culture motivate talented employees to stay at locally-owned banks LB1 and LB2?

1.6. Chapter summary

Chapter one familiarised readers with various reasons that have led to this study, as well it gave an overview of the research structure under the research question “How banks in Laos retain their talented employees”. In this chapter, an outline of the thesis that covered six chapters and their detailed description were given first. Then, a brief history of the selected banks as well as an overview of the development of the Lao socio-economy during the past few decades i.e., 1980s to the 2010s, were presented as a background for this research. After that, the main issue – problem description – that led to the emergence of this research topic was discussed. Following the problem description section, the focus of the research moved onto the research’s aim and objectives. Finally, research questions were presented so that answers could be generated through these questions. In the next chapter, the literature review will provide a critical and analytical analysis in regards to staff retention practices.
Chapter Two: Literature Review

2.1. Introduction

In the previous chapter, an overall view of the research topic “an exploration of staff retention strategies implemented by the banking sector in Laos to retain talented employees” was presented. This chapter critiques the relevant literature so it can be used as a theoretical foundation and an indication of similarities and differences in support of the research findings. First, the definition and significance of talented workers, staff retention and staff turnover are discussed. Then, factors influencing employee retention are presented critically including work based factors – compensation and benefits, job satisfaction, job design, the use of technology and work culture; and employee characteristics including motivation and generational differences.

2.2. Talented workers

Simonton (1999) defines talent as “any innate capacity that enables an individual to display exceptionally high performance in a domain that requires special skills and training” (p. 436). These authors articulated that talented workers can create great value for companies in which their capabilities are highly valued and hard to imitate. As a result, talented and skilled workers play crucial roles in driving organisations forward and turning them into what they want to be (Kyndt et al., 2011).

This implies that retaining talented and skilled workers could increase competitive advantage and bring great opportunities for businesses. This is because talent is equipped with both cognitive and behavioural capability that are the main sources of intelligence and creativity (Nijs, Gallardo-Gallardo, Dries, & Sels, 2014). Oladapo (2014) affirms that around half of the growth in some companies especially in developed countries, comes from intellectual assets or people skills that are referred to as being knowledge based. Because of this, talent management has become an essential part of HRM activities, since if it is managed effectively it can increase an organisation’s productivity, profitability and sustainability and these essential components enable an organisation to outperform its rivals.

However, it is claimed that while demand for talent is likely to grow, its supply tends to decline due to various reasons like demographic changes and technological evolution (Kyndt et al., 2011). This crafted a term “war on talent” that was being coined by a group from
McKinsey consultant in the late 90s (Nijs et al., 2014). The largest generation in the workforce, the baby boomers, has been moving towards the exit of their career stage resulting in a loss of talent, experience and expertise (Eversole, Venneberg, & Crowder, 2012). These authors also add that younger generations entering the labour force have brought in substantial different work styles that reflect what they value. Consequently, attracting new comers and retaining existing talented workers has become challenging for organisations (Festing & Schäfer, 2014). This signals a sense of urgency in strategic investment in talent that involves such activities as attracting, selecting, developing and retaining talent in order to fight with the shortages of knowledge and skilled workers in the labour markets (Festing & Schäfer, 2014). This is because when those key staff leave, pools of organisational knowledge and know-how will leave with them so it is likely that the firms’ crucial information could leak to their competitors (Kyndt et al., 2011). Festing and Schäfer (2014) claims that appropriate retention strategies need to be adopted if organisations want to engage and motivate talent to stay and grow with them. They explain that by providing special treatment, like giving training and development only designed for employees who demonstrate a high potential, could signal the attention that organisations have on talented employees. This could result in an increase in their longevity and psychological contract with the organisations.

In order to attract and retain talented workers in the current business environment, it is essential that companies are willing to challenge the status quo and fine tune with their workers. Petriglieri (2018) highlights that to effectively retain talented workers across generations, a combination of insightful understanding in workers’ needs and a willingness to modify and change organisational culture to provide more workplace flexibility is crucial. Understanding what is crucial for employees requires senior leaders and HR managers to put themselves in their subordinates’ shoes. This means they need to investigate fully what advantages their staff, including their families, are expected to receive from the firms following their commitment and hard work. Do they earn a competitive rate? Are their career paths clear? Do they have an appropriate work-life balance? Some of these questions could give CEOs and HR directors a chance to fight for talent retention and hedge the departure of their future leaders (Petriglieri, 2018). Besides, organisational culture values need to be compatible with workers’ characteristics that reflect the values of their workers (Eversole et al., 2012). In other words, work culture should be designed to suit the evolution of technology and demographic changes. That is to say, companies should be able to provide modern work characteristics like instance/tele working, flexible work hours and adoption of cutting edge technology if possible to make it fit with modern life styles and the growing number of younger generations in the
workforce. This is because most of traditional work design is based on the old fashion ways that might be unsuitable for new generations such as generations Y and Z but management is skeptical to change (Petriglieri, 2018). This could become a drawback that fosters talented workers to leave the companies’ talent pool.

2.3. Employee retention

The word retention is rooted from a Latin word ‘retinere’ ‘that is comprised of two parts in which ‘re’ means back and ‘tenere’ means hold. Because of this, retention means the act of keeping something. According to Cascio (2003) and Lahkar Das and Baruah (2013), employee retention is the process of encouraging workers to stay or remain in organisations for the maximum period of time or until projects finish, especially, those whose knowledge and capability are difficult to match. In other words, it is an attempt by employers to sustain valuable workers in order to accomplish an organisation’s missions and vision (Kyndt et al., 2011).

According to Phillips and Connell (2004), retention has become a serious issue for most organisations in the past decades and is projected to continue growing in the future. This is because several reasons have been affecting the characteristics of workforce like retirement of baby boomers, technological and political changes, work design and job features. These factors could lead to retention dysfunction especially with talented workers whose knowledge and skill sets are scarce and highly sought after by many firms at the same time. This could be an alarm for leaders concerning the significance of investment on human capital and bring talent retention to the top of the list in many firms (Oladapo, 2014). As a result, it is required that HR and senior management should work closely to create long-term, sustainable plans to attract, hire, train and retain talent. This is because loosing key employees could lead to further staff turnover and subsequently low productivity in the firms (Chua, 2017). Thus, competent and productive performers should be retained if firms want to achieve stated goals and objectives. Kyndt et al. (2011) mention that during the time of talent shortages, companies should focus on reducing staff turnover rate in order to keep talented workers. This implies that staff retention is not an easy task to manage and cannot be underestimated because the reasons why people choose to stay are not the same as the reasons they choose to leave (Steel, Griffeth, & Hom, 2002).

Research performed by Hale in 1998 shows that more than 80% of employers faced difficulties such as attracting new employees while almost 60% of employers experienced retention issues such as holding on to talented workers (Ramlall, 2004). This portrays
challenges in retaining employees especially those “whose knowledge and skills are valuable and rare” (Haesli & Boxall, 2005, p. 1956). Moreover, switching from one job to another happens more frequently in today’s businesses than in the past, meaning that effective HRM systems need to be employed to increase employee commitment and retention (Swapna & Raja, 2016). This is because when high performers leave, core processes and customer information as well as other tactics that could benefit businesses is left with them (Presbitero, Roxas, & Chadee, 2016). Most of the time, departing workers choose to work for competing firms of their former employers because of their relevant expertise (Jääskeläinen, 2011). As a result, it is likely that most knowledge, skills and experience they have cultivated from their former workplace could bring benefits for their new employers. This implies that unfruitful staff retention could lead the firms to lose competitive advantage and other trade secrets to their rivals.

Employee retention is believed to be crucial for long term success of organisations (McDonald, 2018). Failure to protect core workers often comes with expensive costs implying that valued employees need to be protected and sustained (Beer & Nohria, 2000). Hansen (2007) notes that the number of firms that see the significance of retaining workers is rapidly increasing, especially talent who can drive the firm forwards. Because of this, understanding what workers really want is a key factor to increase employee retention effectiveness. As McDonald (2018) states, workers not only want financial reward but also a sense of belonging, pride, recognition, training opportunities and career advancement that could enable them to be a success with the firms they are working for. Besides attractive financial rewards, appropriate training and development programs, career advancement and employment conditions should be provided to workers (Deery & Jago, 2015).

Workers often find opportunities to upskill and broaden their knowledge and capability to ensure that they are not left behind by new comers and also creating a clear career prospect for themselves (George, 2015). The author further mentions that workers who lack expertise are likely to be stuck at the same place, have no autonomy over their tasks, receive no promotion, less compensations and benefits. This means that what makes workers motivated and being promoted are factors like determination, commitment, knowledge and skills that they demonstrate. Hence, integration of various motivators that correlate to both jobs and workers themselves as well as fine tuning both monetary and non-monetary incentives, are essential practices in sustaining workers, especially the talented ones.
2.4. Staff turnover

Staff turnover can be described as a pattern of employee transfer or movement from one organisation to the other (Vnoučková & Urbancová, 2016). This demonstrates the intention of workers in resigning from their current professions based on their personal reasons such as pursuing their dreamed jobs, moving to other locations and retirement (McQuerrey, 2018). Importantly, it should be noted that turnover is originated mostly from workers and is driven by numerous forces (Memon, Salleh, Baharoom, & Harun, 2014). As Jääskeläinen (2011) claims, there are multiple reasons behind voluntary turnover and there is no one single reason that can explain it fully. Some of those forces include poor compensation, ambiguous career path, job dissatisfaction, a lack of promotion, recognition and training and development (Al-Emadi, Schwabenland, & Wei, 2015). Soundarapandiyan and Ganesh (2015) explain that staff turnover rates in one calendar year can be calculated by using the total number of staff leaving in one calendar year divided by the approximate number of staff in that calendar year (Number of staff at the beginning of the year plus number of staff at the end of the year divided by two) then multiplied by 100 (Figure 1).

**Figure 1: Formula for staff turnover calculation**

\[
\text{Annual turnover rate} \% = \frac{\text{Number of employees who left}}{(\text{Beginning} + \text{ending number of employees}) / 2} \times 100
\]

Source: Adopted from Soundarapandiyan and Ganesh (2015)

When staff turnover rate is high, intellectual capital may be affected that, in turn, lowers productivity and increases expenses in organisations (Jääskeläinen, 2011). Walsh and Taylor (2007) propose that high staff turnover can create a significant threat to firms resulting from knowledge loss that can reduce more than half of the firms’ usual productivity. Some direct turnover related costs incur during recruitment, selection and onboarding processes of replacement staff, while operation stagnation is an indirect cost that is unavoidable. This is because replacing departed workers is expensive especially those who have worked with the firms for many years and their knowledge (especially tacit knowledge) and experience take years to groom (Vnoučková & Urbancová, 2016). A high level of turnover is believed to not
only increases firms’ expenses in rehiring new workers to fill vacant positions but also reduces employees’ morale, loss of competent workers and reduces firms’ efficiencies (Yang et al., 2012). Thus, reducing turnover rates means sustaining knowledge continuity that strongly influences on business continuity and organisational performance (Vnoučková & Urbancová, 2016). Tacit knowledge is important because some trade secrets and commercial wisdoms are unable to acquire from a formal education (Noe, 2017). This knowledge is based on intuition, common sense and experiences that enhance workers to react to some tasks without thinking about them. Tacit knowledge grows when workers master their tasks; and is held and shared by workers in some specific settings only. This implies that it would not appear in manual or guide books.

Researchers have long been studying voluntary resignation and employee turnover because one main task of a HRM department is minimising staff turnover (Cappelli, 2000). As aforementioned, various factors have fostered workers to leave their jobs such as hiring practices, managerial styles, a lack of training and development and having no recognition. Other than this, constructs like salaries, benefits and job growth are also strongly correlated with staff turnover (Hansen, 2007). These reasons for staff turnover are related to both intrinsic and extrinsic motivations that are considered to be forefront factors in sustaining talent. When workers are satisfied with features in their jobs like compensations and benefits, work culture and workplace relationship, the level of their motivation tends to increase both intrinsically and extrinsically. Some scholars, however, interpret these features differently as they refer to them as push and pull factors. Push factors refer to internal features inside the companies like a toxic work environment, poor leadership, unsupportive supervisors and colleagues, and lack of career development, to name a few. Pull factors refer to external inducible features outside the companies that catalyse the departure of workers to better job offers by other organisations that might include attractive work, greater compensation such as salary and benefits packages. The combination of these elements creates challenges for managers regarding staff turnover and retention, regardless of the business sector. As Petriglieri (2018) states, all companies have a list of experiences that workers need to have to move themselves to higher positions. However, the majority of companies have issues figuring out how to fulfil and hold on to workers who want to grow with them. There are several factors that can influence workers to stay or leave that are well reported in the literature and will be discussed as followings.
Some factors that influence employee retention

Staff retention is influenced by multiple forces as previously studied by several scholars (in Table 1, page 15). However, this research categorises those influential factors into two main groups. The first group is called work-related factors that covers remuneration and benefits, job satisfaction, work-life balance, working environment, employment relationship, job design, job standardisation, job enlargement, job enrichment, job rotation, training and development, the use of technology, and workplace culture. The second group integrates factors arising, mainly from employees including intrinsic and extrinsic motivation and generational differences of baby boomers and generation X, Y and Z.
Table 1: Factors influencing on employee retention, researchers, research topics and year

<table>
<thead>
<tr>
<th>Factors</th>
<th>Researchers</th>
<th>Research topics</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>D. Davies, R. Taylor, C. Savery</td>
<td>The role of appraisal, remuneration and training in improving staff relations in the Western Australian accommodation industry: A comparative study</td>
<td>2001</td>
</tr>
<tr>
<td></td>
<td>D.G. Gardner, L. Van Dyne, J.L. Pierce.</td>
<td>The effects of pay level on organization-based self-esteem and performance: a field study</td>
<td>2004</td>
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<tr>
<td></td>
<td>E. Moncraz, J. Zhao, and C. Kay.</td>
<td>An exploratory study on US lodging properties, organizational practices and employee turnover and retention</td>
<td>2009</td>
</tr>
<tr>
<td></td>
<td>J.W. Walker</td>
<td>“Perspectives” Human resource planning</td>
<td>2001</td>
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<tr>
<td></td>
<td>L.T. Silbert</td>
<td>The effect of Tangible Rewards on Perceived Organizational Support</td>
<td>2005</td>
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<tr>
<td>Promotion and opportunity</td>
<td>M.R. Pergamit, and J. R. Veum.</td>
<td>“What is a promotion?”</td>
<td>1999</td>
</tr>
<tr>
<td></td>
<td>B.J. Prince</td>
<td>Career-focused employee transfer processes</td>
<td>2005</td>
</tr>
<tr>
<td></td>
<td>L. Eyster, R Johnson and E. Toder.</td>
<td>Current strategies to employ &amp; retain older workers</td>
<td>2008</td>
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<tr>
<td>Participation in Decision</td>
<td>P. Hewitt</td>
<td>High Performance Workplaces: The Role of Employee Involvement in a Modern Economy</td>
<td>2002</td>
</tr>
<tr>
<td>Making</td>
<td>Y. Noah</td>
<td>A Study of Worker Participation in Management Decision Making Within Selected Establishments in Lagos, Nigeria.</td>
<td>2008</td>
</tr>
<tr>
<td></td>
<td>M. Wells &amp; L. Thelen.</td>
<td>What does your workspace say about you? The influence of personality, status and workspace on personalization.</td>
<td>2002</td>
</tr>
<tr>
<td></td>
<td>S. Ramllall</td>
<td>Managing Employee Retention as a Strategy for Increasing Organizational Competitiveness</td>
<td>2003</td>
</tr>
<tr>
<td>Training and development</td>
<td>M. Messmer</td>
<td>Orientations programs can be key to employee retention.</td>
<td>2000</td>
</tr>
<tr>
<td></td>
<td>A. Tomlinson</td>
<td>High Technology workers want Respect.</td>
<td>2002</td>
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<tr>
<td></td>
<td>P. Garg &amp; R. Rastongi</td>
<td>New model of job design motivation employees Performance.</td>
<td>2006</td>
</tr>
<tr>
<td></td>
<td>L.W. Handy</td>
<td>The importance of the work environment variables on the transfer of training.</td>
<td>2008</td>
</tr>
<tr>
<td>Leadership</td>
<td>R. Eisenberger, P. Fasolo, &amp; V. Davis-LaMastro</td>
<td>Perceived organizational support and employee diligence, commitment, and innovation.</td>
<td>1990</td>
</tr>
<tr>
<td></td>
<td>McNeese- D. Smith</td>
<td>Job Satisfaction, Productivity, and Organizational Commitment</td>
<td>1995</td>
</tr>
<tr>
<td></td>
<td>Y. Brunetto, R. Farr-Wharton</td>
<td>Using social identity theory to explain the job satisfaction of public sector employees.</td>
<td>2002</td>
</tr>
<tr>
<td></td>
<td>Chung-Hsiung Fang, Sue-Ting Chang, Guan-Li Chen</td>
<td>Applying Structural Equation Model to Study of the Relationship Model among leadership style, satisfaction, Organization commitment and Performance in hospital industry.</td>
<td>2009</td>
</tr>
<tr>
<td></td>
<td>J. Davy, A. Kinicki, C. Scheck</td>
<td>Developing and testing a model of survivor responses to layoffs.</td>
<td>1991</td>
</tr>
</tbody>
</table>

Source: Lahkar Das and Baruah (2013)
2.5. Work-based factors

2.5.1. Remuneration and benefit packages

Remuneration and benefit packages refer to compensation in both financial and non-financial forms that are given to employees by employers in exchange for their services (Härtel & Fujimoto, 2014). This consists of both direct and indirect payment salaries, wages, bonus, perks as well as other fringe benefits like health insurance, housing allowance, educational assistance and sick pay (Figure 2). Organisations are alerted to provide competitive compensation packages in order to attract and sustain high quality employees (Hansen, 2007) because they are considered as key incentives in employee retention and reducing staff turnover (Boxall, Macky, & Rasmussen, 2003). This means that to encourage long-term stay of competent staff, firms should be able to work out and allocate persuasive rewards (Fitz-enz, 1990). This, on the one hand, could improve a sense of satisfaction, motivation and belonging to employees resulting in a positive impact on staff retention. While on the other hand, it could cause depression and anxiety to workers due to high expectations being put on them by their supervisors. As Syrek and Antoni (2014) explain, performance expectations from bosses could foster impairment of health and wellbeing of the workers. The authors articulate that a high work demand could incur recurrence of health issues and wellbeing to workers especially if they could not manage to finish their work on time in fear of being punished. This, in turn, could foster psychological issues resulting in a sleeping disorder, inattentiveness and job dissatisfaction that may lower employees’ performance, take a toll on work-life balance and lead to job burnout.

However, Al-Emadi et al. (2015) claim that some firms even provide higher compensation packages than market rates in order to attract and sustain their scarce talented workers. This is because some foremost reasons of entry-level and middle-level employees leaving their professions are because of low pay and unattractive benefit schemes (Bryant & Allen, 2013). As George (2015) mentions, when it comes to skilled workforce turnover, one of the hottest topics to reconsider by managers is compensation. Hence, managers need to build transparent employee payment schemes where there is a balance between rewards and workload as well as performance and work effort (George, 2015). When employees feel that their remuneration packages are reasonable, they are likely to increase their work effort and contribute more to their job and organisation (Hong, Hao, Kumar, Ramendran, & Kadiresan, 2012). However, the majority of those holding senior management positions and those who are not monetary driven tend to prefer other forms of rewards beyond financial compensation and
benefits. Bryant and Allen (2013) identify that some financial rewards lack efficiency in keeping top level employees, hence, other forms of perks need to be implemented to satisfy and fulfil their needs. This notion ignites some companies to provide other benefits packages to magnetise their workers like health insurance that covers family members and/or partners of their staff regardless of their status or sexual orientation. This means even though their workers might have the same sex partners and are not legally married, both of them are covered fully by insurance provided by the companies as long as they declare their status with the HR department. However, this could be a turning point in retention practices, especially in Asian countries, where it is well known that the relationship of same sex marriage or same sex partner, is over shadowed by religious principles and hence might not be acceptable in Asian society. Apart from Taiwan that has recently legislated for the acceptance of same sex marriages in their society.

Also, it is claimed that compensation tends to act as a double-edged sword (Beer & Nohria, 2000). On one end of a spectrum, it can be used to keep workers focused and motivated that, in turn, supports worker retention. On the other end, workers who are financially driven and prefer higher salaries are likely to leave when they are approached by better payment options from another organisation (Beer & Nohria, 2000). For non-financial prioritised workers, fulfilling their psychological needs is much desirable. Therefore, HR managers need to have an insightful understanding about motivational factors that affect employees’ performance. That is to say a balance between financial rewards such as salaries, wages and bonuses and non-financial offerings like a safe working environment, work-life balance and a good bond among workers, is an optimum strategy that should be practiced.
2.5.2. Career satisfaction

Job satisfaction is a vague term that tries to explain how workers like their jobs, what they want from job and how they can be fulfilled within both the physical and psychological aspects. To understand job satisfaction, it needs to be explored from different angles because workers have different values and perspectives (Lee & Way, 2010). Job satisfaction requires a good combination of financial rewards with other aspects that influence workers’ positive
feelings towards their work, such as work-life balance, workplace climate and their relationship with supervisors, to name a few.

- **Work-life balance**
  
  Work-life balance refers to the appropriateness of balancing between occupational activities and other personal commitments (Senevirathna, 2017). Delecta (2011) defines work-life balance as the ability of individuals to minimise role conflict so they can fully commit to both their paid-roles and personal roles. A negative attitude towards firms could occur if workers are required to work long hours such as working through their lunch time and on the weekends (Mangalaraj, 2014). This sparks an idea by a Trust company in New Zealand to undertake an eight-week trial on its workers by allowing them to work only four days per week but still be entitled to the same benefits. The experiment reveals a positive result showing that work-life balance of their staff improved while the levels of stress dropped significantly. Also, it found that productivity had increased by 20 percent and employees were more engaged and enthusiastic. Some workers even claim that this system will totally bring huge positive impacts on their lives (Human Resources Director, 2018).

  Balancing between paid-work and other personal duties could enable individuals to fulfil other areas of their lives such as caring for families, socialising with friends and communities, doing their hobbies and playing their favourite sports (Hudson, 2005). Since individuals have limited time but want recreational activities outside their professional career, work-life balance has become one factor they use when considering to leave their jobs (Delecta, 2011). As Petriglieri (2018) notes, if work commitment and being loyal to the companies means sacrificing other significant commitments in their private life, workers would avoid losing family time or leisure interests and start searching for another job or career. This is because conflict between two roles could lead to job burnout, job dissatisfaction and family issues that influence an employees’ intention to leave (Deery, 2008). Kossivi, Xu, and Kalgora (2016) clarify that employees who devote most of their time grooming their occupational life, tend to have serious issues within other domains in their personal lives such as divorce, lack of friends outside work and high-levels of stress and anxiety. Because of this, work-life balance has become one core factor that detaches workers to their workplaces since it allows them to meet requirements for both their personal and professional lives.

- **Workplace climate**
  
  Attractive workplaces are usually equipped with a pleasant work atmosphere, flexibility and adequate resources (George, 2015). The author further explains that various researchers
clarify strong relatedness between enjoyable workplaces and employee retention as desirable workplaces tend to increase workers’ commitment, engagement and loyalty (George, 2015). Because many full-time workers spend long hours in their workplaces every day, it is crucial that employers provide appealing workplaces that have positive effect on their worker’s psychological feelings like appropriate spaces, enough light and attractive office layout. An attractive work environment not only encourages workflow and dynamics in organisations but also reduces work-related stress that negatively influences on employee retention (Lok, Westwood, & Crawford, 2005). Workflow is the system that facilitates organisations to carry out, monitor and coordinate the progress of work whereas dynamics is the capability to adapt to inconsistencies and the changing environment. Apart from that, using appropriate technology like new software and modern equipment not only lubricates work productivity but also improves workplace climate. This is because adequate resources could facilitate workers to work effectively and efficiently that, in turn, increases workers’ satisfaction. Westerman and Yamamura (2007) found that some reasons why firms lack capacity in sustaining their workers are the neglect and the underestimate of the values of working conditions within their entities. These authors explain that employees’ behaviours are influenced by their surrounding work environment and the alignment between their work environment and employees’ expectations. These influences could increase employees’ satisfaction and intrinsically motivate them that helps generate the best ability within themselves (Westerman & Yamamura, 2007). Conversely, toxic workplaces are likely to cause fear and stress that leads to operational disruption and ignites workers to leave their jobs. As Fiaz, Qin, Ikram, and Saqib (2017) conclude, poor work performance can be a result of an incompatibility between individuals and their surrounding work atmosphere.

Two significant elements that lead to a harmonious work atmosphere are having friendly and supportive colleagues. Healthy individual relationships among workers can build a great psychological workplace climate (Schyns, van Veldhoven, & Wood, 2009). Instead of being anxious and worried about unethical colleagues, workers want to work with those employees who understand them and show empathy towards them. This means they enjoy working with people who they can trust and share both greatest and worst moments with and avoid those who always talk behind others’ back (Schyns et al., 2009). Peers with the latter type of behaviour often disguise and pretend to be good only when being in front of others. Even worse, they often introduce a toxic work atmosphere that, in turn, catalyses job burnout and influences the staff turnover rate.
• **Relationship with supervisors**

Relationship with supervisors refers to a sound cohesion between managers and subordinates in their workplaces (Westerman & Yamamura, 2007). Tekleab and Taylor (2003) explain this as a healthy relationship that happens as a result of an employment contract that creates a bond that ties management personnel to subordinates. This type of relationship provides an opportunity for employees to develop and contribute their ideas so that it helps increase their career satisfaction and promote a sense of belonging (Kooker, Shoultz, & Codier, 2007). This means that if their determinations and contributions are valued and recognised by both supervisors and organisations, and workers tend to make more contributions when opportunities arise. Supportive behaviour from supervisors could trigger both physical and psychological motivation of employees. Conversely, bosses who insult their team members in front of others could erode employees’ morale and leave them with devalued feelings (Mangalaraj, 2014). Since supervisors act as representatives or agents of organisations, a sound relationship between supervisors and subordinates could enhance the sense of belonging and intention to stay from subordinates (Bibi, Ahmad, & Majid, 2018). Furthermore, it can be said that if workers are treated fairly and are being supported by their supervisors, the levels of their perceived organisational and supervisory support increased (Brunetto et al., 2013).

At the same time, supervisors need to be open and be willing to listen and help their followers to overcome any obstacles faced in their jobs. According to Al-Emadi et al. (2015), employee’s satisfaction tends to increase in workplaces where supervisors and co-workers are approachable, friendly and helpful. Thus, any issues being raised by employees should be solved and supervisors should demonstrate some accountability toward any failure or mistakes within their team. Some supervisors are present only when prestige can be gained but disappear when problems arise. Whereas, other leaders practice nepotism and treat their subordinates unequally based on in-group/out-group concept as well as create workplaces where there is no democracy and freedom of speech. All of these attributes have become a large obstacle between the two parties in building trust and mutual relationship that could lead to the withdrawal of talented staff. As du Plessis and Sukumaran (2015) state, the most obvious reason why workers leave their workplace is having dissatisfaction with their immediate supervisor. This suggests that harmonious working relationships among workers and supervisors must be maintained should organisations want to minimise staff turnover (Al-Emadi et al., 2015). As Boxall et al. (2003) note, the supervisor-subordinate relationship is another factor that has an influence on workers’ loyalty. However, some result-driven leaders always push their subordinates to work harder by using cut-throat and punishment behaviours to generate maximum output from them.
This behaviour is likely to activate distrust between subordinates and those demanding bosses as well as increase career dissatisfaction that signals negative consequences on talent retention. As Smissen, Schalk, and Freese (2013) suggest, stress in the turbulence of the business world can cause managers to mistreat their fellow workers and this can results in the erosion of their existing trustful relationship and loyalty between the two parties. This suggests that commitment, productivity and loyalty of workers can increase if a rapport between supervisors and subordinates is to be formed and maintained (Fitz-enz, 1990).

2.5.3. Job design

• Job standardisation

Job standardisation refers to a procedural guideline that directs workers in performing their job. According to Chen et al. (2009), job standardisation helps advocate organisational citizenship behaviours within workers. This behaviour is what fosters workers to voluntarily perform outside their role or job description even though their performance is not recognised by formal reward systems. Systematic frameworks or standardisation issued by workplaces require workers to put in more effort to ensure efficiency and effectiveness in their work that, as a result, can increase the sense of belonging and loyalty (Chen et al., 2009). This is because job standardisation spells out clear job task information and responsibility for staff that helps reduce role ambiguity, uncertainty and conflict so improving workers’ satisfaction. In other words, the level of task mastery and perception of role clarity are likely to be improved because job standardisation consists of job methods or the best way that one can complete his/her job. Thus, not only does worker and organisational performance increase, but also so does a sense of belonging, commitment and intention to stay within the organisations.

However, some scholars claim that job standardisation could put high pressure on workers because they have to behave and carry out their tasks in accordance with the firms’ rules (Luoh, Tsaur, & Tang, 2014). This repeated behaviour and the degree to that they have to obey the rules can create boredom, a lack of autonomy, limited work scope, reduce morale, satisfaction and psychological attachment that they have towards the firms. This implies that being too strict on standardisation tends to reduce satisfaction and increase burnout tendencies from workers, so some degree of autonomy should be given in order to create workplace flexibility and role satisfaction (Luoh et al., 2014).

• Job enlargement

Job enlargement means horizontal augmentation of responsibility to workers’ formal duties (Raza & Nawaz, 2011). In other words, it refers to assigning more duties and
responsibilities, with similar difficulties, onto workers’ existing tasks without adding any job entitlements or position promotions (Allen & Hartman, 2008; Maxwell, 2008). One purpose of enlarging a job is to increase job variety by reducing monotony and fully utilising workers’ potential skills and capabilities. Even though this sounds exciting at the beginning, it can mitigate energy and cause workers to be overburdened in the long run. Thus, this type of job design may not be as effective as job enrichment due to the unchanged nature of the job and the larger scale of not warding the additional tasks performed. Some scholars suggested that job enlargement tends to destroy job satisfaction resulting in employees’ demotivation and withdrawal from organisational commitment in the long-term (Raza & Nawaz, 2011). This is because when workers are required to perform more tasks without any additional motivators like increasing payments and rewards, workers may feel overwhelmed by workloads that can lead to sickness, anxiety and demotivation (Raza & Nawaz, 2011). In addition, over burden by adding more meaningless tasks to existing ones can negatively influence on workers’ confidence in completing challenging jobs on time, so lessening their satisfaction.

- **Job enrichment**

  The distinction between job enrichment and job enlargement is title or position. Job enrichment not only adds extra roles for workers to do, but also assigns new positions that are usually at a higher level. According to Allen and Hartman (2008), job enrichment means adding more tasks and responsibilities in the hope of creating more attractive characteristics to existing jobs. This means despite more responsibility that workers have, they also gain more power and autonomy in getting jobs done. This notion is reinforced by Maxwell’s (2008) who claims that job enrichment enhances workers to contribute more on decision making, meaning that their jobs are more challenging, interesting and attractive. Allowing workers to get involved in planning and having more control over what they do, can enable them to have an in-depth understanding and fully utilise their knowledge and talent in accomplishing the task at hands. More importantly, workers are entitled to apply for the roles that their managers or supervisors used to do that, in turn, increases the sense of empowerment and esteem because their roles are expanded in the vertical direction (Maxwell, 2008). Enriched job, however, could incur expenses for organisations in terms of re-training costs to help workers cope with extra roles under their responsibilities and not all workers positively respond to this programme (Pride, Hughes, & Kapoor, 2012). Thus, they point out that to make an enriched job effective, workers are required to have desirable goals for personal growth as well as skills and knowledge to
perform assigned tasks. Additionally, self-confidence and trust in management visions are other aspects that make enriched job work well.

- **Job rotation**

  Job rotation is defined as the planned movement or transfer of workers from one role to another within the same organisation based on specific periods of time (Allen & Hartman, 2008). As a result, it could enhance employees to learn many aspects and specialties within their organisation through hands on experience and on the job training. By transferring workers to different roles and geographical locations periodically, it allows workers to discover their interests in a short timeframe and enables managers to allocate suitable positions and stations for them (Maxwell, 2008). Moreover, it facilitates workers to assimilate into a new work environment, assists them to know more of their colleagues and to gain opportunities in learning new organisational values and cultures that can prepare them for senior management positions (Maxwell, 2008). Because moving up on the career ladder requires workers to have insight on various work areas, rotating can be positive in preparing them for their future growth. Apart from that, job rotation can help decrease occupational stress that workers have. This is because when workers are rotated to different roles or locations, stress associated with their previous tasks is diminished. This may imply that job burnout and turnover rate could be reduced as well. Even though job rotation is associated with various forms of positivity, it also has a dark side especially if it causes role conflict to workers.

- **Training and development**

  Training and development refers to a system approach in acquiring new knowledge and skills aiming to increase the effectiveness of individual, team and organisation as well as to promote personal growth (Aguinis & Kraiger, 2009). This means that organisational members not only are able to acquire the most current knowledge in their expertise but also skills and attitudes necessary to achieve organisational goals and competitiveness. Training is considered to be a significant tool that enables workers to cultivate both soft and technical skills that later can be applied to get their works done (Jahanzeb & Bashir, 2013). Moreover, it helps workers to improve their capabilities so encourages them to think differently that is beneficial for organisational competitiveness. Nijs et al. (2014) note that a right mixture of innate and developed abilities could yield higher outputs from workers, so the opportunity for them to receive training and development is vital. As a result, companies invest a large amount of money on training and development for the betterment and improvement of current skills to keep their workers ahead of their competitors.
From another dimension, training illustrates how workers are being cared for by their employers as it could bridge the gap between current and future stages in their career paths. Because of this, staff retention is likely to increase if firms provide training programmes that support their career paths and recognise their learning achievement (Beynon, Jones, Pickernell, & Packham, 2014). Workers who feel that they are being given opportunities to gain new knowledge and skills tend to have higher levels of job satisfaction and intention to stay. Career development has a significant contribution in retaining staff, so appropriate training and development that bring advantages for future growth should be provided to workers. As Beynon et al. (2014) note, staff loyalty can be improved if organisations support staff growth through training and development that enhances their capability. Training is an effective instrument in improving workers’ capability and helping them choose their own best way in completing their tasks so long as it complies with companies’ rules and expectations (Markos & Sridevi, 2010). This means workers who have the opportunity to develop new skills are likely to be more satisfied with their jobs, be more loyal and stay longer.

However, Jahanzeb and Bashir (2013) mention that companies need to think seriously about investment in training and development as it could bring either positive or negative outcome results to them. As some scholars believe that training could foster high staff turnover due to high demand of talented workers. Simply put, well trained workers who are equipped with high potential are likely to be approached by other organisations with better pay and working conditions. This could trigger them to depart shortly after being trained and this may cause their former employer to suffer from the loss of both productivity and human resources. Hence, it has been suggested that firms should have some obligation to prevent these circumstances from occurring. Hence, talented employees need to be encouraged to stay with their organisation as long as possible.

Moreover, training and development programmes should be designed based on various constructs that reflect organisational values as well as its missions and strategies (Botha, 2014). This means managers should be able to identify how training can bring benefits and facilitate the organisation in achieving its goals. In other words, training should not only deliver the current needs of an organisation and its workers but respond to their long term gain as well. Hence, training should be well aligned with the operational and strategic development plan of the organisation as well as respond to its mission and values so that management is eager to invest in such programmes (Botha, 2014).

The perception and attitude of management are what influence them to invest in human capital through staff training and development programmes (Botha, 2014). If training tends to
give daunting results, it may be difficult to persuade the seniority to invest in such programmes. As Dessler (2009) proposes, many scholars use the phrase ‘workplace learning and performance’ interchangeably with the term ‘training’. This implies that training programmes are not constructed only to deliver knowledge and skills needed by employees to perform their tasks effectively but also to help the organisations adapt, develop, thrive and grow in a highly competitive arena (Dessler, 2009). Hence, a worthwhile training and development programme should be built around operational and management skills of the workers and for the sake of supporting workers in perceiving their organisation’s mission and culture (Jahanzeb & Bashir, 2013).

2.5.4. The use of technology

Innovation in technology can pose many challenges to both workers and organisations a like. The adoption of cutting-edge technology by firms to increase cost effectiveness and facilitate their operations can be threatening to some careers in this technological driven era (Markos & Sridevi, 2010). The introduction of computer technology has caused most industries to shift from labour intensive to technological driven approaches, meaning that the numbers of workers who used to complete the same amount of tasks is depleting (Wagner, Dainty, Hague, Tuck, & Ong, 2008). This signals that strategies like worker downsizing might be more preferable by employers as advances in technology enables many tasks to be completed by fewer people. Moreover, technological intensity can place pressure on employees as they need to make more contributions to increase their performance and meet employers’ anticipations (Lepak, Takeuchi, & Snell, 2003). Rotman (2013) claims that the use of automation and advanced technologies tends to lessen and change the types of jobs available for human workers. This means that a number of day to day tasks that use to be undertaken by humans are now replaced by robots or automated machines, especially, in production and service sectors. This situation is referred to in economic terms, as the divergent of growth – the healthy growth in productivity but the weak growth in job creation. Traditionally, job creation would increase as per the increase in production based on the demand and supply theories. Unlike the way it was, technological edge tends to destroy some jobs making workers struggle in keeping their jobs even though production continues climbing up (Rotman, 2013). This implies that workers could face layoffs as digital technologies have become more and more popular and widely used across business sectors worldwide. The use of information technology in business operation has been eliminating various jobs and causing workers to experience difficulty finding and maintaining jobs like never before (Rotman, 2013). This, as a result, could catalyse
workers to start looking for new workplaces if they feel that their positions could be seized by hi-tech digital technologies.

At the same time, technology helps make many types of job safer, easier and more productive, implying that humans are less likely to be hired for doing some specific jobs. Due to the flexibility and cost effectiveness compared to its human predecessor, automation has become more and more popular recently (Rotman, 2013). Technological change affects various types of services that leads to the replacement of personnel by machines and allows customers to get more involved in service businesses through self-operation (Lovelock, Patterson, & Walker, 1998). Consequently, automated machines are adopted widely in the airline and banking industries and they seem to perform these types of jobs very well. Many airlines can downsize their workers especially in ticketing and ground handling departments. Passengers can buy tickets online and check-in by themselves through self-serviced machine when they proceed to the airports. A similar pattern occurs in the banking sector, with the emergence of new delivery and service systems, where customers can open their own accounts, deposit and withdraw money by themselves through automated machines. This encourages the banks to heavily invest in sophisticated technology like e-commerce, m-commerce, ATMs, debit and credit cards, customer relation programme and others, because they tend to make operational costs much cheaper in the long run compared to physical services provided by humans (Mittal & Dhingra, 2007). This trend not only allows those businesses to cut several numbers of manpower, it also helps them survive and expand in brutal competitive markets. As Lovelock et al. (1998, p.15) point out, “IT offers service enterprise many ways to improve their competitiveness”.

To look from a workforce perspective, this could bring about unstable work conditions that, in turn, leads to the vulnerability of their jobs and may force the affected employees to withdraw from those companies. This is unfortunate for those who have high potential and career options within their workplace. As Rotman (2013) comments, even if the deployment of new technology could boost growth in terms of production and wealth, not everyone will benefit from it. However, technological advancement will still be reliant on human workers to some degree. This is because machines are still unable to fully operate by themselves where humans are required to program and operate them. Also, information technology is usually deployed to increase human efficiency and effectiveness. This implies that the combination of human and information technology could create more productivity because humans are still far better in adapting to the changing environment.
2.5.5. Organisational culture

Organisational culture involves a variety of concepts ranging from behavioural rules, norms and rituals to shared values, ideology, beliefs and patterns of understanding and perceiving things within organisations (Linnenluecke & Griffiths, 2010). In other words, it is a set of ideas, values, customs and practicality that influence and direct individuals in an organisation to behave in certain ways (Coldwell, Billsberry, Meurs, & Marsh, 2008). This notion is supported by Härtel and Fujimoto (2014) who define organisational culture as “the shared values, assumptions, beliefs and perceptions that guide the behaviour of organisational members” (p. 118). Because the term organisational culture is vague, only some topics will be nailed down as presented below.

Workplaces that practice warm and supportive organisational culture are likely to increase a sense of belonging and loyalty to employees that, in turn, benefit staff turnover and retention (Lok et al., 2005). As Kar and Misra (2013, p. 65) affirm, “a culture that values interpersonal relationships and collaboration, a team orientation, and respect for people has been shown to result in longer tenure”. This illustrates the connection between corporate culture, individual values and retention as people prefer to build rapport with their colleagues and supervisors (Inabinett & Ballaro, 2014). Coldwell et al. (2008) identify that the ability in attracting potential candidates who can make a contribution to their organisation is likely to increase within organisations that demonstrate a positive reputation and work culture. Because of this, firms where their values and culture are well aligned and fit with the present and future desired culture of employees can create a more intrinsic satisfaction for their workers (Belias, Koustelios, Vairaktarakis, & Sdrolias, 2015). For this reason, firms should pay attention to developing a work culture that is optimally matched with employees’ values and attitudes. For instance, organisational culture that supports unethical decisions, behaviours and actions of leaders might undermine the morale of workers. This is because ethical workers might feel that companies are only concerned about their own gains while workers are being neglected and coerced to follow misconduct that, in turn, fosters employees’ departure (Coldwell et al., 2008). This reveals the substantial impact of CEO’s and managerial traits on perceived corporate culture generated by followers because those individuals tend to act as role models for their followers. A similar idea is provided by Belias et al. (2015) who believe that if workers’ beliefs, attitudes and behaviours clash with organisational culture, they tend to be pessimistic about working conditions, co-workers and superiors. As a result, it is crucial to do cross checking between candidates’ work values and that of the firms, when selecting new candidates.
Another well-known topic under the organisational culture umbrella is flexible work culture, as it can help workers to strike on both work and non-work commitments. Idris (2014) defines flexible work culture as strategies adopted by companies that allow workers to not stick to old fashion and fixed work schedules. Demographic change, caused by the increasing role of women employees and the flooding of younger generations into workforces, has posed many challenges on employee retention to modern organisations. Hence, it requires that flexible work schedules and family friendly policies need to be made in order to allow workers, particularly those who have children, fulfil other essential areas in their personal lives. This is because a younger workforce seems to care for work-life balance more than their older cohorts did. Moreover, advanced technology has changed traditional work routines as work can be done more quickly, effectively and remotely meaning that workers could complete their tasks in a short timeframe and without being present in the office all-day. Hence, flexible work could be another factor that reduces staff turnover and provides advantages such as employee commitment and retention as it enables staff to adjust their work hours to fit their needs (Kar & Misra, 2013). Because of this, workers can spend more time with their families, reduce work related stress, as well as better manage work-life conflict so that their work satisfaction and intention to stay could increase.

According to Härtel and Fujimoto (2014), organisational culture consists of both visible and invisible aspects. Furthermore, these authors clarify that the tangible aspect includes elements like office buildings, uniforms and clothing. For instance, organisations that recognise the significance of communication, tend to adopt an open plan office to facilitate and encourage the flow of communication among workers. In terms of the intangible dimension, it refers to core values that organisational members perceive and share. This dimension of work culture is often shown implicitly and is best known among members within the same organisation. Invisible culture is more related to the knowledge pool because it deals directly in the way that workers communicate, interact and interpret issues within their work domain (Härtel & Fujimoto, 2014). Based on these explanations, an effective organisational culture should be well aligned with both the internal and external environments of organisations. Taking an external focus, this means that an organisation’s culture should be adaptable to a fast and changing external environment and is in line with new technological developments that workers can use to support their work. In terms of internal alignment, for example, the HR department should build a culture that directs organisational members in the same direction in order to help achieve the organisation’s goals and encourage expected behaviours and attitudes.
These culture values are what encourage the most productive employees to be committed and remain in the same organisations.

Organisational culture values have a direct influence on how human resource practices are implemented by the HR department such as selection, promotion, employee development and reward systems. These practices often foster the psychology and attitudes of the workers making them develop different levels of commitment and loyalty (Inabinett & Ballaro, 2014). These authors also suggest that organisations that value teamwork, interpersonal relationship and respect for individual members are likely to be able to attract both weak and strong performers. Consequently, workers tend to give long term commitment and loyalty to their organisations. In contrast, organisations that focus on work task values and practice individualism or reward employees individually based on their accomplishment, tend to lack the ability in retaining employees (Inabinett & Ballaro, 2014). This is because workers may feel that their organisation cannot offer long-term security to them making them to start looking for a job elsewhere, especially weak and moderate performer. These issues illustrate the correlation between organisational culture and HR practices as well as why some organisational cultures are better in retaining workers more than other cultures.

Person-organisation fit is one of the most salient areas in regards to employee retention. Many scholars are of the view that alignment between personal and organisational values is so important for retention (Belias et al., 2015). These authors argue that particular types of workers are better fitted and attracted to particular kinds of organisations. This means that workers who are misfits with organisational culture values, will not stay as long as those whose values match with their organisation’s values. This is because workers appear to be content and satisfied with their jobs given that their personal values fit with that of their organisation.

Undoubtedly, this reflects how crucial organisational culture is to employee retention. Organisational culture is considered to be a valuable element that governs the way things are carried out within an organisation’s context (Belias et al., 2015). This implies that an appropriate work culture not only fosters creativity and innovation but it also anchors valuable workers to organisations. As a result, both tangible and intangible, strong and effective organisational culture values need to be embedded and practiced should organisations want to attract and retain talent. This means that organisations should provide attractive and exciting workplaces for their employees as well as offer attractive work arrangements and communication mechanisms that encourage connection between workers. More importantly,
realigning workers’ values to their organisation is one of the most crucial practices in building a flourishing and accepting workplace culture.

2.6. Employees’ characteristics

2.6.1. Motivation

Motivation emerged from a Latin word ‘movere’ that means to move (Tansky as cited in Cinar, Bektas, & Aslan, 2011; Ganesh, 2016). According to Huiitt (2001), motivation can be defined as the internal state such as desires, needs or wants that arouse, energise, guide and/or dictate individuals’ persistent actions or behaviours. Employee motivation is a psychological driver that determines their behaviour directions, the level of their effort and persistence (Rawat, Khugshal, & Chaubey, 2015). This means that when individuals are motivated, they are directed or controlled by an internal sense to behave in a particular way.

This suggests that motivation is a key strategic issue that can be used by firms in order to retain their human capital. Motivation is an essential component that drives workers’ behaviours and performance as well as increases their engagement and involvement (Ganesh, 2016). If workers are motivated, they tend to put their physical, emotional and psychological efforts above and beyond the set goals of the organisations (Fiaz et al., 2017). As Huiitt (2001) highlights, employees who lack motivation are likely to withdraw from their work than those who are motivated. This is because when workers are motivated, they will fully engage in organisational activities and work to the best of their ability (du Plessis, Douangphichit, & Dodd, 2016). Consequently, motivated employees can become the core competency in increasing productivity and profitability to the business (Fiaz et al., 2017). However, understanding why people are motivated is quite challenging because motivation is catalysed by various reasons. Thus, managers need to capture what motivates their employees so that appropriate motivators can be allocated to generate the highest outputs from them.

Two main factors are believed to cause workers’ motivation in that these factors tend to change over time depending on circumstances that those workers are facing (Härtel & Fujimoto, 2010). According to Nel et al. (2012) and Huiitt (2001), motivation is driven by both internal and external factors that are known as intrinsic and extrinsic motivations.

• **Intrinsic motivation**

Motivation that is derived from internal sources is called intrinsic motivation. According to Ryan and Deci (2000), intrinsic motivation refers to enjoyment that workers have toward their jobs resulting in an increase in workers’ self-motivation and self-regulation. These
authors further explain that when workers are enthusiastic, they are likely to be proactive and push more effort into the jobs they are responsible for that could help improve both workers’ and organisational performance. Härtel and Fujimoto (2014) affirm that even though people usually work for economic reasons such as earning an income to support themselves and their families, intrinsic motivation is a crucial element in keeping employees motivated and being loyal. As Fitz-enz (1990) argues, even though money is important, it is not a long term motivator since staff needs responsibility and job satisfaction to inspire them to perform to their best ability. More importantly, workers who are intrinsically motivated are not driven by prizes but are by their curiosity and willingness to learn that are derived from a sense of satisfaction in regards to their performance (Berumen, Perez-Megino, & Ibarra, 2016). Because intrinsic motivation is emerged from internal factors like willingness, preference and interest (Byrne, 2014), those who are intrinsically motivated will be inspired and energised to generate their highest capacity and go the extra mile beyond their assigned tasks (Daft, 2013).

Nonetheless, each worker values and prioritises things differently, so intrinsic motivation may not work in some situations especially in a poor country like Laos where financial earnings remains low but the cost of living has skyrocketed over recent years. In the same vein, enough earnings to cover all payments to avoid deprivation, might be what workers prioritise, not intrinsic motivation. This means economic factors or external motivation such as payment and other reward schemes are those that workers often consider when applying for a new job or deciding to stay with their present employers (Benabou & Tirole, 2003).

- **Extrinsic motivation**

Extrinsic motivation emerges from external sources that means workers work in an attempt to receive rewards from the outcome of their activities (Mirabela-Constanta & Maria-Madela, 2011). Those sources are usually named as external rewards and can include wages, salaries, perks, working condition and promotion that workers expect to receive in an exchange for their work performance. This shows that extrinsic motivation is the linkage between performance and the reward attached to the performance itself (Berumen et al., 2016). Extrinsic motivation enhances the willingness of workers to perform their tasks that is inspired by the return that they anticipate to receive once the tasks are being completed (Huei, Mansor, Naha, & Tat, 2014). The above discussion suggests that employees who are extrinsically motivated are likely to perform their tasks and stay in their organisations only for tangible rewards like remunerations and benefits packages.
Since extrinsic motivation reflects the connection between performance and the rewards, it is up to managers to design an appropriate external reward scheme to help boost workers’ fullest potential (Anderson & Anderson, 2010). This is because workers who prioritise economic incentives might extend their efforts and abilities based on the rewards that they will earn. This means employees tend to give more if they receive more from their organisations and vice versa. Importantly, it should be noted that in Lao society, asking about salaries is not a taboo. This norm allows workers to compare their salaries with their colleagues so they know how hard their co-workers work and how much they get paid. If they feel that their input is much higher but receive less pay than that of their co-workers, they would reduce their efforts accordingly, based on Equity Theory. This reflects that to fully engage employees, it is crucial that they are interested, fairly rewarded and enjoy what they are doing. This means extrinsic motivation alone, through such elements like good pay, bonuses and promotion, is not the ideal long term motivator (Huei et al., 2014).

2.6.1.1. Theories of motivation

Based on the advantages of intrinsic and extrinsic motivations, there is no doubt that they can be used as significant tools in retaining talent. Hence, some theories concerning motivation are worth exploring in order to capture the core values that each of those theories holds. Scholars classify motivational theories into two categories known as content and process theories.

a. Content Theory

Content theory of motivation deals with internal factors that energise and direct individuals’ behaviours. Theories that are classified into this category tend to explain what leads individuals to consistently behave in a particular way and focus mainly on factors like needs, motives and incentives (Tozlu & Kurtipek, 2015). These two authors add that content theory can explain factors that activate motivational procedure only but not reasons behind individuals’ behaviours. Four major theorists who are classified under content theory of motivation are Maslow (Hierarchy of Needs), Alderfer (ERG Theory), Herzberg (Two-Factor Theory), McClelland (Human Motivation Theory).

• Maslow’s Hierarchy of Needs

An American psychologist, Abraham Maslow, believes that there are five levels of need existing in each individual that underpin her/his behaviours. Thus, he created his motivational model in 1943 depicting all five levels of need from the most basic to the most advanced tiers including physiological, safety, love and belonging, esteem, and self-actualization needs (Sadri
& Bowen, 2011). The ground concept in this model is that individuals cannot progress to higher levels unless their current needs are being fulfilled. The most fundamental need defined by Maslow is physiological need that refers to the need for food, water, air, clothing, rest and sleep. In the work context, this implies that financial factors like wages, salaries, and bonus are crucial to satisfied employees in this layer because the majority of employees basically work for these factors (Sadri & Bowen, 2011). Apart from that, work-life balance is another significant motivator as workers require more leisure time than in the past. This leads many firms to have started attracting workers through programs like flexible working hours, teleworking, longer holiday and onsite fitness (Sadri & Bowen, 2011). The second level, safety need, refers to the need of the workplace that can provide both physiological and psychological safety. Employees not only want to work under a safe working environment to ensure their healthiness but also want good medical insurance and retirement plans to secure their post-career lives (Lăzăroiu, 2015). After fulfilling the first two stages, love and belonging is the next need level that can be reflected through an acceptance and good cohesion in workplaces (Sadri & Bowen, 2011). This stage of need consists of things like a healthy relationship and building a strong network with colleagues. These can be achieved through schemes like company sponsored sport clubs, in-house activities and shared spaces where workers can communicate and interact. The fourth level is called esteem need that means workers require some sort of recognition and praise (Sadri & Bowen, 2011). Apart from monetary incentives, workers also want a good reputation, a role to play and recognition from their leaders and workmates. By this, workers want things like a parking space near their office and having nice things said about them in the company’s newsletter or being employee of the month or year. This, in turn, keeps them motivated to continue to improve their performance. The highest level of need developed by Maslow is called self-actualization. This refers to a sense of self-respect, self-inspiration and by realising the potential within themselves, this could help them perform beyond others (Lăzăroiu, 2015). Companies can support these employees through educational programs that relate to their tasks, give them more responsibility and allow them to coach their co-workers to help them reach their highest potential (Härtel & Fujimoto, 2010).

Even though Maslow’s hierarchy of needs has become a basic framework for many latter motivational theories and tends to explain many concepts relating to human needs clearly, it contains some flaws. Some scholars argue that individuals’ needs do not have to come in sequence as explained in this model, meaning that individuals can proceed to higher level needs without accomplishing the needs at lower levels.
• **Alderfer’s Existence, Relatedness, Growth (ERG) Theory**

ERG theory was developed between early 1960s to late 1970s to provide an alternative view on Maslow’s hierarchy of need. Alderfer integrated five levels of need developed by Maslow into three levels that reflect existence (E), relatedness (R) and growth (G) (Caulton, 2012). As a result, existence (E) in the ERG theory consists of physiological and safety needs in Maslow’s model that includes factors like food, water, air, clothes, shelters, salaries, benefits and good working environment. Relatedness (R) covers love and belonging that deals with cohesion and friendship with colleagues. Whereas, growth (G) addresses esteem and self-actualisation needs, where a sense of being recognised, praised as well as self-motivation are merged.

While Maslow’s hierarchy of needs explains that individuals cannot proceed to higher levels of needs until the lower level needs have been fulfilled, ERG theory argues that different levels of needs can occur at the same time (Hartel & Fujimoto, 2010). As Caulton (2012) states, it is unnecessary for a human to be satisfied with lower levels of needs before achieving the advanced tiers of desires. Because of this, the focal point of ERG theory is called frustration-regression. This means that individuals can shift their attentions back and forth between low and high levels of needs (Lăzăroiu, 2015). Thus, if workers are unable to fulfil the growth level, they may switch back to relatedness and vice versa. This implies that different needs can be achieved within the same timeframe.

• **Herzberg’s Two-Factor Theory**

In 1959, Herzberg developed a theory called hygiene-motivation or two-factor theory to navigate factors that influence employees’ motivation. Herzberg claims that to keep employees motivated, employers need to pay attention to motivational factors rather than eradicate sources of dissatisfaction that are referred to as hygiene factors (Alfayad & Arif, 2017). Thus, factors that have influence on job satisfaction and dissatisfaction are classified into hygiene and motivational elements respectively.

Hygiene factors are believed to trigger the causes of job dissatisfaction. According to Herzberg, these factors include organisational policy, pay, supervisor and co-worker relationships, job security and working conditions, to name a few (Alfayad & Arif, 2017). These elements have no influence on the levels of job satisfaction of workers, the same authors added. What is included on the motivational side of this model are factors like recognition, promotion, growth and responsibility. Herzberg believed that even though these factors are crucial on workers’ job satisfaction, they seem to have no influence on reducing job
dissatisfaction (Alfayad & Arif, 2017). When looking closer, motivational factors are linked with the job itself, whereas the hygiene factors are correlated with the organisational environment like organisational policy. In brief, hygiene factors if adequate, workers will not be dissatisfied and nor will they be satisfied with how they feel at work and motivational factors are what really motivate and satisfy workers (Robbins, Judge, & Campbell, 2017).

- **McClelland’s Human Motivation Theory**

  David McClelland developed a theory called Human motivation theory in his 1961 book named “The Achieving Society”. McClelland believed that there are three motivators in every single individual. These motivators are classified into three needs including a need for achievement, a need for affiliation, and a need for power (Lăzăroiu, 2015). Each individual is believed to be motivated and influenced by one of these needs or motivators, the same author added.

  A person’s motivation is dependent largely on one of these needs or motivators regardless of gender or age. Also, motivation is usually influenced by culture and life experiences. Individuals who are driven by the achievement need, usually set high or challenging goals (Weiner, 2013). They are usually dedicated, love to work with high achievers, thrive to achieve challenging goals and are keen to receive feedback from others. The need for affiliation governs individuals to be collectivist, by being liked and works best in a group environment. They also love collaboration and avoid uncertainty. Whereas, individuals who have a need for power like to lead, control and influence others (Weiner, 2013). Furthermore, status and reputation are significant to those who are influenced by the need for power.

- **b. Process Theory**

  Process theory addresses how individuals’ behaviours are caused, sustained and prevented by motivational factors. Based on this, process theory emphasises thinking processes that influence an individual’s decision making, to performing certain characteristics such as to accept or resist challenging tasks (Härtel & Fujimoto, 2010). Hence, it can be said that process theory navigates underlying reasons that govern how people think and behave (Tozlu & Kurtipek, 2015). Vroom (Expectancy Theory), Adam (Equity Theory) and Locke (Goal Setting Theory) are process theorists and their theories will be further explored here.

- **Vroom’s Expectancy Theory**

  This theory depicts the relationship between an individual’s efforts and expectations, and the outcomes of their performance. Parijat and Bagga (2014) articulate that individuals
have their own goals and expectations and that the levels of their effort that they exert depends heavily on the level of rewards that they expect to receive. In other words, employees know that if they put in a high effort, their performance will improve (Expectancy) and rewards will increase (Instrumentality). However, how employees value the rewards (Valence) is another factor that influences efforts employees put on their work (Hartel & Fujimoto, 2010).

The expectancy theory portrays that employees will work to their fullest potential if they feel that the efforts they put in can generate their expectancy. An employee who values financial reward is willing to work for extra hours if she/he expects to received higher pay. In contrast, a worker who wants to be promoted to higher position will come early to the office and leave late in order to build trust with her/his supervisor. This implies that to keep workers motivated, rewards should be designed in alignment with workers’ expectations (Härtel & Fujimoto, 2010). In other words, workers’ motivation tends to be high if reward schemes can fulfil their expectations.

- **Adam’s Equity Theory**

  Equity theory focuses on fairness in the workplace in which the levels of motivation produced by employees are dependent on how fair they are treated by their organisations. Workers often measure their contributions against rewards that they receive and compare that with their colleagues (Härtel & Fujimoto, 2010). Morand and Merriman (2012) state that workers often perceive the amount of rewards that they should receive (remuneration, parking space near office and other valued benefits) should be in the same proportion as the amount that they input (how hard they work and how effective they are).

  In the workplace, workers often doubt that whether or not they receive fair treatment from their supervisors and organisations. They tend to compare what they bring to the organisation like educational level, skills and capability with what they gain like rewards, promotion and responsibility (Morand & Merriman, 2012). This implies that workers often have unconscious thought that they make more contribution than their cohorts and that they should be rewarded more. This could result in the emergence of a sense of demotivation from workers. Therefore, rewards design should be transparent and reflect the input made by workers (Morand & Merriman, 2012).

- **Locke’s Goal Setting Theory**

  Setting own goals could help motivate employees to boost their ability to accomplish those goals. According to Mullins and Christy (2013), individuals who are unsatisfied with their current goals are likely to set new goals which are more challenging to them in order to
keep them motivated and engaged with their activities. Once their goals can be achieved, their sense of satisfaction and motivation will increase. Goal setting could help workers focus and invest more time and efforts so that the set goals can be accomplished (Mullins & Christy, 2013). These authors also argue that vague and unclear goals are other elements that undermine a workers focus and motivation.

Hence, it is clear that to motivate workers to work beyond their best potential, the goals set by supervisors or higher organisation managers should be specific, measurable, achievable, realistic and time framed (SMART). This is because if workers can see that the set goals are too high or too difficult to reach, they might initially be demotivated so that to avoid failure. In contrast, achievable goal setting should keep workers proactive and committed to what they need to achieve so that to influence positive self-esteem and provide an aura of self-achievement (Mullins & Christy, 2013). Hence, set goals should be SMART and not be set to be too easy or too difficult.

2.6.2. Generational differences

Generational groups refer to those who were born in a similar period of times and share significant life events that are shaped by the same social, economic and cultural background (Tolbize, 2008). As a result, they may pose distinctive characteristics from those who were born outside their timeframes (Twenge, Campbell, Hoffman, & Lance, 2010). Even though across generational differences explicitly paint the stereotype within each work group, intra group differences should not be undervalued. This is because each individual is equipped with different personality traits, values, beliefs, expectations, educational background, skills and experience. These differences characterise their personalities, work and family needs, work styles and life goals that may drive them away from other members within the same domains (Schiemann, 2017). Dissimilarity in these attributes is another facet that needs to be considered when dealing with staff turnover and retention because this makes each generation and individual to have different values around their work and organisational life. This implies that each cohort in the present labour market, including baby boomers, generation X, Y and Z, may need to be dealt with differently to maximise their engagement, output and longevity (Wiedmer, 2015). Moreover, organisational leaders could blend these cohorts to work cooperatively if they have optimal understanding about their intrinsic value systems and different working characteristics.
• Baby boom generation (boomers)

Different sources indicate the birth years of this generation inconsistently. However, most of those sources point to the mid-40s to the mid-60s. According to Tolbize (2008) and Wiedmer (2015), boomers were born from 1946 to 1964. During this period, there was a significant birth rate that led them to be named as the ‘baby boomers’. Boomers are being described as those who value identity, status, respect authority figures and are workaholics as they believe that hard work will give them good rewards in return. As a result, maximum efforts is given by this cohort in order to indicate their long-term stay and the preparation to go extra miles to higher rankings and positions (Twenge et al., 2010; Wiedmer, 2015). Boomers are believed to focus on external rewards because “even today, money, power, and recognition are the Boomers’ primary motivators” (Wiedmer, 2015, p. 2). Boomers are also being described as those who prioritise networking, teamwork, group decision making and job security that, in turn, makes them become loyal employees (Tolbize, 2008).

• Generation X (gen X or Xers)

There are no exact lower and upper boundaries that split generation X from its counterparts. This generation points to individuals whose birth years are ranked from 1968 to 1979 even though in some cases it can be extended to the period between 1963 to 1982 (Tolbize, 2008). Since they are the offspring of senior Boomers, the majority of them grew up in the midst of economic, financial and social instability that was full of downsizing, redundancies and job losses (Twenge et al., 2010). Moreover, various significant historical events were taking place during their time like the falling of the Berlin Wall and the collapsing of the Soviet Union (Wiedmer, 2015). All of those significant, historical activities shaped generation X to be independent, self-managing, self-reliant and value work-life balance more than their previous generations. Learning and developing new skills and knowledge are innate qualities born with this cohort, so they tend to be skilled workers who like challenging supervisors and avoid being coerced (Tolbize, 2008). This cohort is good in adaptation and flexibility, as well as being individualistic and self-focused; so financial motivation is considered to be important (Twenge et al., 2010). These qualities make them less committed and not as loyal to employers as Boomers are.

• Generation Y (Millennials/Nexters)

Even though the birth years of generation Y can lie between 1978 to 2002, it is still inconclusive among scholars (Tolbize, 2008). What differentiates this cohort from their older generation is their technological knowhow/tech savvy, since they were born during the
blooming of information technology. Generation Y is believed to share some aspects with generation X as they are optimistic, individualistic and self-focused. Because they are likely to gain higher and better education than Boomers and generation X, they are good in multi-tasking, are confident and value work-life balance (Tolbize, 2008; Twenge et al., 2010). Surprisingly, generation Y appreciates supervision, feedback and clear task goals from supervisors to guide them how to work (Wiedmer, 2015). These individuals also have some similarities with Boomers as they are extrinsically motivated so preferring monetary forms of rewards and praise from their employers. Because both financial motivation and work-life balance exist within this cohort, “the notion of one job, one career mindset is no longer valid” (Wiedmer, 2015, p. 55). This implies that these folks tend to switch jobs as generation X do.

- **Generation Z (Boomlets/Digital natives)**

  Generation Z refers to those people being born roughly in the mid-1990s onwards (Bencsik, Horváth-Csikós, & Juhász, 2016; Wiedmer, 2015) where society is being occupied by computers and smartphones making them become technological savvy (Novak, n.d.). Generation Z are social animals who like socialising and networking with peers through social media platforms like Facebook, Skype and Messenger (Wiedmer, 2015). Even though other cohorts present on and enjoy using social media, the aims and excitement and what they get out of it is different for each. Generation Z is practical in which the internet has become the main source for them in finding ways to solve problems. As a result, they are likely to require less supervision from the top but anticipate quick results including feedbacks, rewards and clear professional goals. Because a ‘can do’ attitude exists within these individuals, they love changing jobs in order to find the ones that are challenging for them (Bencsik et al., 2016). This marks the arrival of a new breed of young workers who are well educated, knowledgeable, extremely confident and are not only concerned about what they can do for companies but also what the companies can do for them (Mangalaraj, 2014). This signals employers to speak with this group effectively and treat them carefully through interesting tasks that are challenging in order to increase their ambition and commitment.

To recap, even though detailed concepts and implications of employee retention, employee turnover and talented workers are critically analysed, they tend to lack empirical evidence. Likewise, constructs influencing employee retention that are developed from both work-related factors and workers’ characteristics, are all investigated through theoretical perspectives only. These features make them lack clarity and depth, especially in relation to sub-research questions propagated for this research thesis. As such, staff retention strategies
and methods to minimise staff turnover as well as the significance of remuneration packages, job satisfaction and organisational culture on staff retention; have left plenty of room to undertake research, especially, in the Lao context. Hence, the intentions of this research provides the opportunity for the researcher to find out new theoretical and empirical knowledge with the intention to fulfil some gaps in the literature based on the findings derived in chapter 5 and 6 in this research thesis.

2.7. Chapter summary

In this chapter, some potential topics relevant to staff retention were critically reviewed. The very first part laid out the meanings and implications of staff retention, staff turnover and talented workers. The attention was then turned to components influencing staff retention that was divided into two major parts, namely work-related factors and workers’ characteristics. The former part covered compensation and benefits, job satisfaction, work-life balance, workplace climate, relationship with supervisors, job standardisation, job enrichment, job enlargement, job rotation, training and development, the use of technology and organisational culture. The latter part of this chapter included motivation involving intrinsic and extrinsic motivation and generational differences including baby boomer, generation X, generation Y and generation Z. Finally, a brief explanation about some gaps in the literature was demonstrated. The following chapter, chapter three, is the discussion of research methodology and method that the researcher will adopt in this research thesis.
Chapter Three: Research Methodology

3.1. Introduction

This chapter discusses research paradigm, research approach and research method used in the research question: “How banks in Laos retain their talented employees?”. First, research paradigm that influences the researcher’s perspectives and theoretical stances is explained. Then, qualitative approach is discussed to explain why it is being adopted in this research thesis. After that, research method is articulated. This includes unit of analysis, case selection, participant selection, sources of data, semi-structured interview, pilot study and secondary data. Towards the end of this chapter, data analysis plan as well as how to deal with reliability and validity of the research results and ethical issues are explained in detail.

3.2. Research paradigm

Basically, research paradigm refers to a set of beliefs and practices shared within a specific research domain meaning that researchers who adopt the same paradigm will share the same philosophy, theories and models. Gray (2014) explains that research paradigms are largely impacted and can be classified based on these two terminologies namely ontology and epistemology. The author adds that while ontology explains what reality is, epistemology deals with how important it is to know about something. O’Leary (2009, p. 5) clarifies that “the main question addressed by ontology is ‘what types of things actually exist?’, while the main question addressed by epistemology is ‘what are the rules for discovering what exists?’”.

Ontology does not directly lead to epistemological positions, instead it emerges three forefront positions namely objectivism, subjectivism and constructivism (Gray, 2014). The author articulates that objectivism is closely linked to a theoretical perspective called positivism where its basic assumption is that facts and objects are available in the real world and disconnect with humans. As a result, research should focus on facts and exclude researchers’ feelings and values. This means research should not be influenced by phenomena and should be carried out using scientific methods through scientific observation and empirical inquiry. However, subjective perspectives like individuals’ values, attitudes and beliefs can be studied but should be done objectively. Subjectivism is correlated with theoretical stance called postmodernism in which its basic beliefs are that meaning does not occur as the result of interaction between the subject and the outside world. Even though subjects produce meanings,
they occur unconsciously. Theoretical perspective that is consistent with constructivism is called interpretivism. Its proposition is that direct relationship between ourselves and the world does not really exist; but “the world is interpreted through the classification schemas of the mind” (Gray, 2014, p. 23). This implies that the world is too complex to measure and some phenomena cannot be experienced through direct observation and scientific laws. Thus, acquiring knowledge is not limited through only five senses of touch, smell, taste, hearing and sight (Frankfort-Nachmias & Nachmias, 2008) as what exists or what is real can be constructed differently (O’Leary, 2009).

Traditionally, most research is inclined towards either positivist or interpretivist paradigm. However, some research does not fall firmly in any of these paradigms. This leads to the emergence of a paradigm called post-positivism. Resemble interpretivism, post-positivism centres on meaning and social concerns, brings together theory and practice and allows a variety of suitable techniques to be used in data collection and analysis (Henderson, 2011). Research that falls into this domain relies on qualitative data but is influenced by positivist perspective, added by the same author. This means that the researcher believes that facts are available in the real world but waiting to be discovered (Gray, 2014). Because of the integration of qualitative data and positivist paradigm, this theoretical perspective is applicable for research aiming to reflect individuals’ behaviours through their real life experiences (Henderson, 2011).

The researcher uses post-positivist paradigm in this research. This is because multiple case studies are to be explored in order to gain insight into factors that foster talent to stay at participating banks. Moreover, while the theoretical stance of this research focuses on facts and causality, a qualitative method and inductive approach are being applied throughout the processes of data collection and analysis. Hence, post-positivist paradigm is well suited for this research.

**Inductive approach:** The qualitative approach will apply an inductive process where data is gathered and analysed in order to construct meanings, theories, models and patterns behind a phenomenon but not for the sake of proving or falsifying theories (Gray, 2014). Moreover, the author further clarifies that an unstructured data collection method using an inductive approach enhances the emergence of new data that is not included in the original research. This means the qualitative approach is not totally isolated from existing theories or knowledge, so researchers should keep in mind not to jump into a conclusion or assumption quickly without verifying against other cases to avoid prejudices and bias (Corbetta, 2003). That is to say, this research thesis intends to explore facts and causality used by the participating
banks to retain their staff through the participants’ perspectives. Inductive approach enhances the researcher to generate answers for the “how” question and to understand reality or meanings behind participants’ experiences. This, as a result, enables post-positivist paradigm to be the most relevant to this research thesis.

3.3. Research approach

3.3.1. Qualitative approach

The “how” question in this research requires that qualitative approach is to be used. This notion aligns with the core concept of this paper that is to explore the reasons behind the stay of bank staff and strategies used by the banks to retain talented workers during high demand in the labour markets. This approach facilitates understanding of people, social and cultural context that is useful and relevant for research that aims to study human behaviours and factors influencing their actions (O'Leary, 2009). This means it enhances the researcher to “gain a deep, intense and holistic overview of the context under study, often involving interacting within the everyday lives of individuals, groups, communities and organisations” (Gray, 2014, p. 160). As a result, the researcher can dive deeper into reasons and motivational factors behind individuals’ feelings and behaviours so that inferences can be made through coding and themes (Savin-Baden & Major, 2012).

In contrast to its criticism, the qualitative approach can produce fruitful meanings that reflect social phenomena that illustrate other angles that the quantitative method cannot produce (O'Leary, 2009). Even though the number of participants is considerable small, data collected is rich in nature because relevant information could be in-depth explored through unstructured interview. The open-ended questions and unstructured interview employed in this method enable the researcher and the participants to ask more questions, clarify unclear statements and share ideas freely. As Myers (2013) argues, qualitative method is the most appropriate if the researcher wants to explore the topic in detail by using a limited number of participants. This demonstrates that the qualitative method is suitable for this research thesis.

Qualitative research, moreover, enables the researcher to scale down and select right pool of participants. By this, the researcher can thoroughly investigate the topic through participants’ profession, knowledge and experiences in order to accomplish the research objectives and stem the answers to research questions.

Lastly, research not only illustrates the importance of the field setting but also the roles that the researcher plays. This means that the researcher is equipped with opportunities to gain
an in-depth understanding about individuals’ circumstances (O’Leary, 2009). As Gray (2014) points out, qualitative research heavily focuses on contexts, ideas, feelings and behaviours of the subjects studied enhancing researchers to have insightful ideas over participants’ perspectives and situations. Reasons discussed above justify appropriateness and the application of qualitative approach for this research thesis in exploring retention strategies being practiced by the participating banks. Therefore, qualitative approach is implemented in this research thesis.

3.4. Research method

3.4.1. Unit of analysis

Multiple case study but single unit of analysis tends to be the best description for this project. According to Gray (2014), one research topic that is conducted in different places or locations is classified into multiple cases with a single, holistic unit of analysis. The researcher undertook the same steps as being stated above. This means the same research topic (unit of analysis) was being applied in different banks (multiple cases).

3.4.2. Case selection

This research uses purposive sampling technique. As Teddlie and Yu (2007) claim, purposive or non-probably mode of sampling enhances relevant and crucial data to be collected from specific participants, units or events that is difficult to gain elsewhere. Hence, selecting appropriate cases could help the researcher in answering research questions that meet research objectives. This, as a result, makes purposive sampling become one of the most applied and pre-selected technique used by qualitative researchers (Takhar-Lail, 2014). This research aims to explore retention strategies implemented by the banking sector in Laos. Accordingly, a small number of banks were unofficially contacted by the researcher. These banks are renowned among local consumers, making them an outstanding choice for this research thesis. Eventually, three foreign-owned and two locally-owned commercial banks agreed to participate in this project.

3.4.3. Participant selection

Mason (2010) emphasises that to ensure adequate data and information, the minimal number of participants should be around five to six in qualitative research. Another area to be considered during this stage is the expertise and experience of the participants. Identifying
suitable participants is another cornerstone in helping the research successfully answers its research questions and meeting its objectives. This is because participants’ experience, knowledge and skills need to be relevant with the topic studied (Lapan, Quartaroli, & Riemer, 2011).

Based on the above discussion, the participants are selected using criteria set by the researcher including tenure and positions. This means the researcher looked for participants who have been working for the bank for at least 3 years and the number of male and female should be even (if possible). This is to avoid employment or career gaps of the participants that may hinder their ability and insight about the topic researched. As workers who have been continuously working with the banks for a number of years tend to be familiar with and have better understanding about the internal systems that enhance their ability in elaborating the situation better than inexperienced employees. Moreover, the researcher targets only those whose expertise and responsibilities closely link with employee retention especially managerial figures like HR and Training and/or Development managers. This is because their roles are the most relevant to the research topic in this research thesis.

After the ethics application was approved by Unitec Research Ethics Committee (UREC), the researcher contacted the administration departments of a number of banks to request access to contact information of potential participants. When gaining the contact information, the researcher emailed and telephoned the potential participants pre-selected to take part in the research data collection, to find out if they are willing to take part. After getting responses from target participants, the researcher asked for their authorisation to contact their supervisors or managers to seek permission in allowing them to participate in this research thesis. There were ten pre-determined participants in this research thesis, including an HR manager and a Training and Development Manager from five target banks. However, only seven participants were able to take part and three others were unable to cooperate due to their personal reasons. Although the number of informants decreased, there was no impact on the quality of information needed to answer research questions because the remain participants’ roles are all tied to HR activities.

3.4.4. Sources of data

According to Gray (2014), triangulation of data helps increase rigour and validity of qualitative research. To understand the topic researched from multiple perspectives, researchers can apply various types of triangulation in their research such as data triangulation, investigator triangulation and theory triangulation. These techniques enable researchers to
deepen their understanding about the meaning in the data. Therefore, the researcher uses triangulation of data in this research where data was extracted from different sources as being shown throughout this section. This includes semi-structured interviews and secondary data as following.

**Semi-structured interview:** Eriksson and Kovalainen (2008) claim that the research approach and research questions act as the compass for researchers in selecting appropriate data collection methods. Based on this, semi-structured interviews will be employed as the main vehicle in data gathering in this project because this research method applies qualitative approach to explore retention strategies implemented by five selected banks in Laos. The nature of semi-structured interview and open-ended questions allows both interviewer and interviewees to communicate freely and in a friendly manner. Gray (2014) states that this type of interview allows researchers to set boundaries for questions that need to be asked but, at the same time, remains flexible so that the interview is happening like informal conversations. This means interviewees can ask for clarification about unclear questions and interviewers are supposed to form supplementary questions to deepen understanding on topics of interest concerning the research so that the full context can be captured and robust information is unearthed (O'Leary, 2009). Eriksson and Kovalainen (2008) also support this notion by saying that face-to-face interviews enhance researchers to navigate untouched reality behind ones’ stories through their experiences and attitudes in which all of the significant points can be fully covered by those who take part in such events. As a result, complexity in real life setting is not miles away to be understood as qualitative data is rich and complete in its explanation (Miles & Huberman, 1994). This research covers both foreign-owned and locally-owned banks meaning that interviews could involve both Lao and expatriate workers working in those banks. As a result, data collection instruments including interview scripts and questions have been prepared bilingually, in Lao and English languages. The interviews were set up in Laos and guided by interview questions that relate to core concept of this research and research questions. Before any interviews, participants were being asked to sign the consent form and if they were willing to be taped.

**Pilot study:** A pilot study means a small scale, preliminary study intended to test the feasibility, appropriateness and accuracy of the instruments that will be used in the latter research project. According to Doody and Doody (2015), conducting a pilot study could help ensure methodological rigour and high-quality research. This is because it tends to provide valuable information that assists researchers in carrying out their larger study. As a result, researchers are likely to have the opportunity in preparing resources and skills necessity for the
projects as well as time to amend, develop and revise relevant instruments. Due to these advantages, the researcher decided to adopt a pilot study and apply it with two HR managers from two selected banks in Laos. Interview questions planned to be used during the interviews were emailed to them after gaining ethics approval from UREC in order to test their precision. The pre-testing process enhanced the researcher to fine-tune and eliminate some ambiguous and repetitive information in the interview questions. Final revision of the interview questions was made in accordance with feedbacks and suggestions contributed by those HR managers respectively.

**Secondary data:** Apart from primary data collection stated above, secondary data is extracted from different sources like participating banks’ websites, annual reports and other company records as augmented information for the topic researched. This type of data refers to the data already collected and used by other researchers or institutions (O’Leary, 2009), which can provide in depth information about the subject studied (Gray, 2014). Therefore, secondary data relating to this topic was also used in order to support and reinforce the validity of the research’s result.

### 3.5. Data analysis

Miles and Huberman (1994) elaborate that analysis consists of “three concurrent flows of activities: data reduction, data display, and conclusion drawing/verification” (p. 10). Simply put, data reduction means selecting, synthesising, summarising, coding, and paraphrasing data from the written field notes to create themes or categories. Data display points to alternative avenues in showing or organising data mainly into shorten forms so messages can be easily captured by audiences. Verification or drawing conclusions refers to the summary that researchers make after catching the patterns, consistencies, regularities and causal flows in their field notes. This makes data analysis one of the most challenging tasks in research processes that requires skills and judgement competency from researchers.

Eriksson and Kovalainen (2008) are of the view that even though several analysis methods can be used to analyse textual or qualitative data, their emphases are varied. Thus, researchers should conscientiously select ones that are most applicable for their research questions. For instance, while content analysis emphasises on the content of and frequency within the text and conversation, narrative and discourse analyses focus on the form, structure and meanings of the text.

Data analysis refers to the process of transferring or interpreting original data accumulated from fieldwork into the research result that gives answers to the research
questions. According to Miles and Huberman (1994), data analysis is the method of transcribing recording materials and categorising notes into themes and concepts to capture knowledge emerged from the data.

Based on the above description, thematic analysis with coding and memoing techniques has been applied in this research. This is because this technique helps researchers to classify and group similar themes and patterns together (Grauerholz & Donley, 2012), so new understanding, knowledge or theory is emerged through the interpretation and exploration of in-depth data obtained from interviews (O'Leary, 2009). This procedure contains coding processes that are considered to be one of the most suitable applications to digest information from the interviews. Coding refers to systematic ways of organising, grouping or categorising words or phrases containing similar meanings or ideas together in order to identify patterns, themes or concepts in which it can be divided into two types called first cycle and second cycle coding. First cycle coding can involve only a word, phrase, sentence or even a whole paragraph and may occur several times as researchers attempt to understand the meaning that the information holds so it can be called descriptive coding. Second cycle coding can involve the same portion of data or even codes arisen from the first cycle coding that requires critical and analytical ability from researchers to synthesise textual or symbolic data into thematic element and pattern in order to interpret data and draw conclusions (Grauerholz & Donley, 2012). To complete data analysis, the researcher first transcribed recording materials into written form. Lao language based interviews were translated into English based on UREC protocol. To familiarise with data, the researcher listened to the recordings and read transcripts several times. The researcher used tables to organise similar words, codes and sentences into the same categories. Finally, similar categories were labelled into the same themes.

Moreover, memoing was being used as a supplementary technique in making data analysis in this research more justifiable. Memo is a form of phrase, sentence, paragraph or page that sum-up ideas arisen from codes and their connections that researchers capture while analysing data (Miles & Huberman, 1994). This system not only reports data individually but as an entire group as well as its relationship, thematic, conceptual or theoretical meanings behind data that is best described and understood by researchers. As a result, memo has become a meaningful and powerful tool in analysing qualitative data.

3.6. Validity and reliability

The validity and reliability of the research outcomes heavily rely on the methods employed in the project, so researchers need to critically and wisely choose the methodology
that is relevant and applicable for their projects (Kumar, 2014). To make these two terms less confusing and easy to understand among novice researchers, they can be broadly defined as following:

Validity refers to the ability to make the research result generalisable (Corbetta, 2003). To ensure its validity, research must meet both internal and external validation. Internal validity is concerned with the corresponding between data collected and reality. That is to say, the researchers should avoid making inference from and intervention in the data to ensure that it purely reflects participants’ experiences and ideas (Noble & Smith, 2015). The researcher solved this problem through a technique called respondent validation. Through this, participants were requested to review interpretations and findings to ensure their accuracy. In terms of external validation that is concerned with generalisability of the findings to a larger population, researchers need to pay close attention to the process of sample selection should the research results needing to be generalisable (Gray, 2014). This means that the characteristics of the studied group and target generalisable group need to be matched or similar. Target generalisable group means a certain type of people or objects being categorised into the same domain as the subject studied. In the context of this research, it refers to banking staff at the participating banks because both groups are in the same sites, situations or settings in which a study under context X may not be applicable to context Y. In this regard, detailed description of the cases provides opportunities for readers to transfer the knowledge into similar contexts.

Reliability means the extent to replicate or reproduce the research result based on the same data set (Corbetta, 2003). To gain reliability in qualitative research, triangulation or usage of a variety of data sources and data gathering tools are recommended (Gray, 2014). In this research, different types and levels of data from different sources were used to help the researcher achieves quality or rigour in qualitative research. Even though the researcher applies only unstructured interviews for data collection, a review of relevant literature and the use of secondary data were implemented to capture similarities and differences in the research findings. Moreover, data management was applied so other researchers can use the same data in their research should they wish to.

3.7. Ethical consideration

This research was executed in obligation with UREC rules and regulations. To ensure ethical requirement, the researcher was required to submit an ethics application Form A issued by UREC and wait for its approval before being able to officially start contacting or
approaching potential participants. This research thesis was approved under the ethics application number 2018-3015 for the period of 02 July, 2018 to 02 July, 2019 from the UREC. In terms of research participants, organisational consents were approved by banks FB1, FB2, FB3, LB1 and LB2 regarding authorisation in allowing the researcher to undertake data collection within their premises.

Various elements are listed in ethics application Form A such as project details, potential participants, data collection methods intended to be used by the researcher, benefits/risk of harms of the project and cultural issues that may incur because of the project. This is to avoid any harm or breaching that may occur that can have negative impacts on relevant stakeholders namely the Unitec Institute of Technology, the researcher and research participants. As a result, consent needed to be sought and participants were informed about the content and scope of the research to avoid impacting negatively on outside participants’ comfort zones (Grauerholz & Donley, 2012). This also helps to ensure that privacy and confidentiality of studied subjects are fully protected by the researcher. This means all participants were asked to sign a consent form to demonstrate their willingness in participating in this project. Additionally, permission was asked from all participants before recording equipment was used to ensure their consent and confidentiality. If any participant was unwilling or uncomfortable to be recorded, the researcher stopped that process right away. Moreover, no data would be used or revealed unless being authorised by the informants and that the research information was being used as agreed to by the UREC. Research participants were kept anonymous and their institutions were assigned specific pseudonyms as well. As unstructured interviews were used as the main vehicle in gathering data, they were carried out in a safe and comfortable setting to satisfy interviewees. Moreover, any sensitive issues that might affect the interview atmosphere was avoided and eliminated. As a result, neither issues from informants nor negative feedback from participating organisations was raised.

3.8. Chapter summary

Chapter three conveyed several research paradigms and theoretical stances that are considered to be the main factors influencing on the selection of robust methods for a research project. Constructivist stance and interpretive paradigm were optimal fit with this project, hence, the qualitative approach was being adopted. Besides, different topics were discussed to explain the sources and interconnectedness of various theoretical positions as well as the reasons behind the selection of the qualitative approach for this project. The researcher, then, highlighted the selection of sample that was based on a purposive or non-probability mode of
sampling selection that was the most appropriate method to use because it enables the researcher to gain fruitful information from the right sources. After that, processes of case selection, participant selection, data collection and analysis, validity and reliability as well as any ethical issues were outlined.

In the next chapter, chapter four, results from the semi-structured interviews conducted with seven participants are analysed based on the research question “How do banks FB1, FB2, FB3, LB1 and LB2 retain their talented employees?”.
Chapter Four: Findings

4.1. Introduction

Chapter three discussed the generics of the research methodology and paradigm in the research world as well as method, participant selection procedures, validity and reliability and ethical consideration used in this research thesis. This chapter lays out the findings stemmed from collected data, through semi-structured interviews, with seven informants. Findings in this chapter create themes and patterns that will generate the answers to the research objectives and questions. At the beginning of this chapter is an explanation about the pseudonym designated for each informant and bank participating in this research thesis. Then the findings are sequentially analysed based on eight sub-research questions aforementioned in chapter one.

4.2. Interview results and findings

To meet UREC’s obligation and ensure confidentiality of the participants and their organizations, anonymity was used to protect their identity. This means each participant and organization was assigned a specific pseudonym based on their characteristics. This resulted in the application of unique codes namely M1, M2, M3 and M4 that represent participants 1, 2, 3 and 4 from foreign-owned banks and M5, M6 and M7 for participants 5, 6 and 7 from locally-owned banks. Three foreign-owned banks participating in this research were assigned as FB1, FB2 and FB3 while LB1 and LB2 represent two locally-owned banks. Hence, the anonymous codes used in this project included M1FB1, M2FB2, M3FB2 and M4FB3 (informant 1 from foreign-owned bank 1; informant 2 and 3 from foreign-owned bank 2; informant 4 from foreign-owned bank 3) and M5LB1, M6LB2 and M7LB2 (informant 5 from locally-owned bank 1; informants 6 and 7 from locally-owned bank 2) respectively.

4.2.1. Sub-research question one

What staff retention strategies are implemented by foreign-owned banks FB1, FB2 and FB3 in Laos?

This question was crafted to generate key ideas for objective one and formulate answers to sub-research question one in this research thesis. Also, it helped the researcher gain a big picture on retention strategies being applied by the three foreign-owned banks participating in
this research thesis. Respondents cited different areas used by their banks involving the managerial responsibility in building a meaningful workplace and encouraging their followers as well as how the banks provide a stable career to their workers. Answers can be synthesised into two themes including roles of HR manager/practitioner and line manager and their job security.

- **Theme one: Roles of HR manager/practitioner and line manager**
  
  HR and departmental managers need to look into every possible aspect that could sustain subordinates under their teams [...] and they should be able to identify which workers are potential and what can be used to retain them. [...] This can be done through observing workers’ characteristics and a direct conversation between team leaders and their followers in order to enhance staff’s involvement in career design [...]. Some workers are happy to stay in the same positions and receive the same amount of salaries and benefits as long as their performance is recognised by managerial figures (M1FB1).

  At an overseas branch like this, HR activities are under direct control of branch manager meaning that only one person takes charge of both roles. It is my responsibility to create attractive employment condition and ensure that they can be proud in the works that they do. If they can work happily with us, they will be intrinsically motivated and do not have find another job (M2FB2) and (M3FB2).

- **Theme two: Job Security**

  Our bank has gone through various changes making the numbers of employees reduce from over a hundred to around fifty now. [...] Some employees are productive, commit, loyal and have worked at our bank for
more than ten years without any complaint. Those employees might perceive stable future career in our bank and trust our management (M1FB1).

Our workers are given long-term contract after their probation periods so they can work with the bank until their retirement should they wish to (M4FB3).

4.2.2. Sub-research question two

What staff retention strategies are implemented by locally-owned banks LB1 and LB2 in Laos?

This question was raised to examine strategies being used by locally owned banks participating in this research thesis in retaining their staff. Also, it was used to fabricate the answer for objective two and sub-research question two. Participants articulated how reciprocal feelings and behaviour of employees were cultivated through acknowledgement, recognition and exceptional treatment. Responses were classified into one theme that is psychological contract in which a detailed explanation is available here:

- **Theme one: Psychological contract**

  Every individual worker in this bank is honoured as being potential and important regardless of her/his position and which department that s/he is working in. [...] This idea is being cultivated in our workers so that they are engaged and ready to take a higher position and more responsibility (M5LB1).

  Some extra care is given to potential employees in order to embed the sense of belonging to them. For instance, new hired or probationary staff can become permanent staff in a faster pace or a permanent staff can be promoted to a higher position quicker than usual (M6LB2) and (M7LB2).

4.2.3. Sub-research question three

What components of the remuneration packages are effective in retaining talented staff at foreign-owned banks FB1, FB2 and FB3?

This question was framed to explore the significance of monetary and non-monetary benefits packages in sustaining staff at the three foreign-owned banks from the viewpoint of staff participating in this research thesis. Also, it was used to draw the answers for objective
three and sub-research question three in this research. According to the responses generated by informants, a clever exploitation of both financial and non-financial constructs could be a key factor in attracting and retaining quality workers and both should be adopted in parallel:

We use both and they must go hand in hand because only monetary or non-monetary rewards cannot fully attract potential workers (M1FB1), (M2FB2), (M3FB2) and (M4FB3).

On this occasion, some add-on questions were asked to further investigate the reasons behind their responses that can be seen as followings:

- Please explain why you think both financial and non-financial rewards are significant to sustain talent?

  Respondents articulated that economic reason can only satisfy staff and have an influence on their stay to some degree while other non-economic constructs like a rapport relationship within the workplace and their personal life events have influences as well.

  Two themes were found from this add-on question including workplace relationship and demographic change as can be seen below:

  - **Theme one: Workplace relationship**

    Even though most people admit that money is important, it is hard to survive in the workplace where we do not fit with the work environment, cannot get along with our bosses and gain no respect from our colleagues, no matter how much salary we can earn. [...] This makes both cash and non-cash related rewards being crucial in retaining workers (M1FB1)

    We adopt a family-like management method which means that we focus on teamwork and cooperate like siblings. More importantly, instead of waiting for our subordinates to approach us, we always initially approach them first to buy-in their commitment and loyalty (M2FB2) and (M3FB2).

  - **Theme two: Demographic change**

    A familiarity with tasks and the changes/settlement in employees’ personal lives – such as being married and having children – can be some reasons that influence workers to stick with their jobs (M4FB3).
Some employees, especially young generations, are likely to quit or find another job after being married in order to move or relocate with their spouses. [...] this trend is less likely to be seen from older workforces (M3FB2).

Please specify some forms of financial and non-financial rewards that are significant in sustaining talent in the bank you work at?

To gain some incites under financial and non-financial domains that were significant in retaining staff, this question was asked. Answers from participants pointed to financial compensation and room to grow from their careers. Hence, they can be categorised into two themes namely remuneration and benefit packages and career development:

- **Theme one: Remuneration and benefit packages**

  In reality, I think that every employee including me, expects to earn more salary. [...] however, an increase in salary is rarely happened because enough reasons must be given before adjustment can be made (M1FB1).

  If someone resigns because of getting higher salaries from elsewhere, I have to let him/her go because I do not have a policy to attract and hold workers with high salaries. [...] If I feel that workers cannot survive with the amount that they earn, I will initially jump in and help them sort it out (M2FB2).

  From HR perspective, financial rewards play an important role in retaining employee especially those having high knowledge and skills. [...] These individuals tend to have many career choices so monetary rewards set by their employers should be reasonable and in line with their ability (M3FB2).

  Long-serviced employees receive high economic return so they don’t want to quit from our bank (M4FB3)

- **Theme two: Career development**

  Because of our special development mechanism called “development plan”, many non-college graduated workers at our bank have become proficient English speakers and team leaders. [...] We also have “secondment” programme that enables several employees to gain opportunity to work at
other overseas branches like Myanmar, Australia, Singapore and Hong Kong for a period of three months. Most employees believe that this type of opportunity is not available to buy no matter how much salary you earn (M1FB1).

While various constructs are used as financial incentive like salary and bonuses, non-financial rewards are also adopted including both domestic and overseas training courses as well as educational opportunities that allow our workers to work and study at the same time (M2FB2) and (M3FB2).

Five key concepts are being used to pave the way for career growth for our staff. This includes “Capability” which means we like to give opportunity for people so fresh graduate with low education or no degree can apply to work with us. “Integrity” means only people with honesty are recruited to work with us. “Productivity” implies an execution of training and development to uplift workers’ knowledge and capability. “Morality” refers to encouragement of appropriate behaviours that helps shape workers to become productive future leaders. “Solidarity” denotes interpersonal skills that help workers cooperate and build network with others (M4FB3).

4.2.4. Sub-research question four

What components of the remuneration packages are effective in retaining talented staff at locally-owned banks LB1 and LB2?

This question was coined to navigate the perspective of participants from locally-owned banks on the key components of remuneration packages used to sustain talent. Apart from that, it was also used to fabricate the answers for objective four and sub-research question four in this research thesis. Informants covered two key areas that are monetary and non-monetary as followings:

*Both monetary and non-monetary rewards are effective and significant in retaining talent [...]*. Thus, both should be applied and carefully leveraged to generate the highest potential from them (M5LB1), (M6LB2) and (M7LB2).
In order to again in-depth ideas behind their answers, some augmented questions were asked:

- Please explain why you think both financial and non-financial rewards are significant to sustain talent?

  According to the respondents’ points of view, even though both forms of rewards tend to produce different results, they eventually accomplish the sense of satisfaction and alert workers to engage in their work. From this question emerged one theme, namely, motivation that is explained in responses below:

  **Theme one: Motivation**

  Even though money tends to produce only immediate and short-term result, its application is crucial because one of the foremost reasons that people work is money. In the same vein, if employees are acknowledged and recognised by managers or directors, it may spark their feeling that their career progress is on the bright side [...]. This makes non-monetary rewards to be more sustainable and long-term oriented (M5LB1).

  In my view, financial rewards especially salary is what the bank obligated to its employees [...]. However, even though non-cash related rewards like recognition cannot exchange for food, it tends to be an easy and effective way to praise workers which can create massive meanings and have huge impact on their motivation (M6LB2) and (M7LB2).

- Please specify some forms of financial and non-financial rewards that are significant in sustaining talent in the bank you work at?

  Answers cited by participants involved financial compensation and promotion schemes that could enhance employees to higher positions and responsibilities. Responses were classified into two themes specifically a lead market pay structure and promotion:

  **Theme one: A lead market pay structure**

  Compare to other commercial banks in the market, compensation and benefits that our employees receive are considerable high. This has become
one factor that makes our employees satisfied and attracts many candidates to apply to work at our bank (M6LB2) and (M7LB2).

- **Theme two: Promotion**
  
  Promoted employees must be able to push themselves in order to stand out in the crowds. [...] At the same time, if promoted employees cannot cope with new roles and cannot work effectively, they could be demoted. Even those who hold high positions like managing director or deputy managing director could be demoted too because not everyone can work successfully in their new roles (M5LB1).

  Our bank has promotional scheme so individuals who have impressive work history and performance can be promoted. This is to boost the highest satisfaction and motivation from our workers (M6LB2) and (M7LB2).

### 4.2.5. Sub-research question five

What components of job satisfaction are effective in retaining talent at foreign-owned banks FB1, FB2 and FB3?

This question aimed to fabricate the responses to objective five and sub-research question five in this research thesis. It also enhanced the researcher to learn about the constructs that influence workers’ satisfaction and their intention to stay at the participating foreign-owned banks. Closing the pay gap and empowering employees through involving them in decision making and career design can increase the likelihood of their career satisfaction, based on the respondents’ ideas. Therefore, two themes emerged that included equal pay and employee involvement in dealing with problems:

- **Theme one: Equal pay**
  
  Since there is no payment standard in Laos, some employees who work in the same role and for the same organisation can receive varied pay. What differentiates our bank from other is that whether or not you are male, female, lesbian, gay, bi-sexual or transgender, you will receive the same pay if you work in the same role and have similar performance. [...] At the end of the year, we will conduct a “gender pay gap” to investigate why this person’s salary is higher or lower than his/her colleagues (M1FB1).
We conduct performance appraisal every six months to evaluate knowledge and capability of our employees so we can use it as our database in adjusting their compensation at the end of the year (M3FB2) and (M4FB3).

- **Theme two: Employee involvement in dealing with problems**

  Our bank not only gives opportunity for employees to get involved in career design but also encourage them to work by their own strategies to trigger distinctive ideas and generate alternative methods in dealing with issues. [...] If the strategies that they follow are wrong, team leaders or other workers within their teams will help and teach them the right ways. If their initiation is right, they will be praised and recognised (M1FB1).

  Workers are encouraged to initially tackle the problem that they face, find solutions by themselves and do not just wait for supervisors’ directions [...]. Through these processes, our workers can increase their problem solving and decision making skills so they can become potential leaders in the future (M2FB2) and (M3FB2).

A specific question about training and development was asked as followings:

- **Please provide some examples about talent-related training conducted by your bank?**

  This question was raised to navigate how training and development programmes were used to fulfil a sense of satisfaction to employees. Through participants’ views, training and development were considered to be a main construct that helps increase employees’ ability in dealing with higher responsibility. Responses were grouped into one theme that is job enrichment:

- **Theme one: Job enrichment**

  Workers who have right behaviours, attitudes and work hard but have limited capability in some areas will be supported through training. From my view, organisation should invest in workers who can think differently, be courageous to transform their thoughts into action, initiate new ideas, challenge and ask questions and not easily agree with anything which is positive for improvement within organisation. [...] With that said, however,
employees are encouraged to and should respect other people’s ideas and opinions at the end of the day (M1FB1).

Training is provided based on the appropriateness […], for instance, employees who are assigned to new positions or responsibilities and new hired employees who are yet familiar with their tasks (M2FB2) and (M3FB2).

Approximately, there is at least one training in every two months for all departments at our bank […]. This is to broaden knowledge, capacity and technical know-how to our workers so they can become good leaders in the future and bring highest benefits to the bank (M4FB3).

4.2.6. Sub-research question six

What components of job satisfaction are effective in retaining talent at locally-owned banks LB1 and LB2?

To stem answers for objective six and sub-research question six in this research thesis, this question was constructed. At the same time, this question enhanced the researcher to gain viewpoints from participants from selected locally-owned banks about the features that can be used to increase workers’ satisfaction and intention to stay. Responses conveyed the ideas of how employees’ satisfaction can be broaden through opportunities of knowledge and skills development as well as the advocacy from seniority. Answers revealed two themes that were training and development and supportive leadership as followings:

- **Theme one: Training and development**

  Training is always conducted both domestically and internally. Now, there is an internal training for 40 employees around the country […] which will finish in three days. Training not only fulfils skill development and refreshes knowledge to workers but also helps harness them to organisations as well (M5LB1).

  We have annual training budget that cover both in-house and overseas training agendas. […] Training can fulfil both cognitive and psychological
requirements from our workers as well as heighten their capability, skills and a sense of satisfaction (M6LB2) and (M7LB2).

- **Theme two: Supportive leadership**
  
  High performers are given chances to deal with challenged tasks through job delegation [...]. By doing so, employees can be familiar with multifaceted dimensions of works within their departments and encounter with opportunities to train themselves so being ready to take higher responsibility or leadership roles in the future (M5LB1) and (M7LB2).

  To increase employees’ satisfaction, managers and supervisors should build a close relationship with their followers through regular interaction and have conversation with them about both work and non-work contexts. […] provide employees with training as well as opportunity to continue their study both domestically and internationally could strengthen their trust, loyalty and morality towards the organisation (M6LB2) and (M7LB2).

**To gain deeper viewpoint, a specific question was asked:**

- **Please provide some examples about talent-related training conducted by your bank?**

  To gain deeper insight into the association between training and development and employees’ satisfaction, this question was asked. Answers provided by the participants underpinned the ideas of preparing employees for more responsibilities. According to the answers, one theme emerged that was job enlargement:

- **Theme one: Job enlargement**

  Our training programmes consist of several levels and serve different purposes. Some trainings are executed for new hired employees while others serve the requirement from the Central Bank of Laos […] others are to help increase knowledge and skills of our existing workers. Mostly, however, their main function is to broaden employees’ knowledge so they become champion in their task areas and are ready to take more responsibilities (M5LB1).

  Training is usually conducted especially when there is a launch of new products […] This is to supplement our workers’ competencies, skills as well
as increase the likelihood of their job performance and broaden their responsibilities (M6LB2) and (M7LB2).

4.2.7. Sub-research question seven

What components of organisational culture motivate talented employees to stay at foreign-owned banks FB1, FB2 and FB3?

This question was used to investigate factors underlying in organisational culture that influence employee retention at the selected foreign-owned banks in this research thesis. Another aim is to stem the answers to objective seven and sub-research question seven in this research thesis. It can be noted that each participating bank has created its own organisational culture to formulate uniqueness and distinguish it from their rivals. Responses can be assembled into three themes that are flexible work arrangement, team building and the application of religious beliefs – Buddhist laws –.

• **Theme one: Flexible work arrangement**

  One unique feature that we have under our corporate culture is flexible working schedule [...]. This means our employees can come and leave at any time that suit them as long as they can finish their tasks on the given timeframe (M1FB1).

  Some back office positions may not be required to come to the office on some specific days so those employees can work from home. [...] However, they must be able to present in the office when they are required by the bank (M2FB2) and (M3FB2).

• **Theme two: Team building**

  Our bank highly values its work culture and requires every staff to respect others’ opinions and work as a team. This can be seen that when I first joined this bank, there were around 15 workers who graduated from Australia which considered to be big alumni [...]. Many of them were capable with highly potential but their behaviours did not align with what our bank wanted them to be especially helping, cooperating, and sharing ideas with others (M1FB1).
Our bank promotes teambuilding because every employee is distinguished in knowledge and ability. For example, workers who graduated from an English speaking country are encouraged to help other workers who graduated domestically when there is a difficult English translation. This type of practice is implicitly perceived and followed by our workers (M2FB2) and (M3FB2).

We teach our employees to behave nicely, speak calmly and have generous mind [...] We also encourage them to live collectively and help each other (M4FB3).

- **Theme three: The application of religious beliefs**

  The most remarkable culture at our bank is that every employee is being called “Master” instead of their titles. This is to imply that our employees are knowledgeable and capable regardless of their roles and seniority because a person who are entitled to a “Master” must have knowledge and capability. Second, we teach our employees to worship their parents because parents are those who gave birth and send them for education so they can stand at this point and become who they are today. Because of that, before any meeting, each participant has to ‘Nop’ – a word that is in the Lao language, meaning putting hands together in a prayer-like manner for greeting, showing respect to senior people, sacred places and religious figures like monks, nuns and Buddha images – for 10 second to show their adoration and respect to their parents (M4FB3).

**To further explore the topic, an extended question was raised:**

- Please explain how the use of technology influences the reduction of the number of workers in your organisation?

  The aim of this question was to obtain the ideas on how technological usage has affected human workers in three foreign-owned banks participating in this research thesis. From participants’ perspectives, while technology has been used widely in the banking sector in Laos, various obstacles have become the forces that limit and delay its development. This additional question fabricated one theme namely human capital.
• **Theme one: Human capital**

Approximately, only 1-2% of our staff has been affected by the use of technology. One thing that need to be admitted is that the majority of consumers in our country still lack ability in using and taking advantages from the available technology [...]. As a result, the use of technology has yet had much effect on employee redundancy like what has already happened in other countries and most of the tasks are still carried out mainly by human workers (M1FB1), (M2FB2) and (M3FB2).

The use of technology has yet caused our bank to reduce the number of workers. One reason that causes a decrease in the number of workers in our bank is that when some individuals resign, we will try not to replace them immediately. Instead, we try to reassign and allocate the tasks to remain employees to maximise their ability and make the most out of them (M4FB3).

4.2.8. **Sub-research question eight**

**What components of organisational culture motivate talented employees to stay at locally-owned banks LB1 and LB2?**

This question was asked to gain perspective from participants of selected locally-owned banks about organisational culture that harnesses them to their workplaces. Another aim was to generate the responses for objective eight and sub-research question eight in this research thesis. Participants cited how their work uniforms created distinctiveness and differentiated them from other banks’ employees, as well as how their internal communication platform was used to facilitate communication among workers. Responses created two themes that included work attire and workplace communication:

• **Theme one: Work attire**

First thing is uniform that not only distinguishes our staff from other organisational members but also directs them what to be worn each day throughout the week (M5LB1).
Our work uniform intuitively paints the uniqueness to our workers and helps them to be realised that they work for our bank (M6LB2) and (M7LB2).

- **Theme two: Workplace communication**

  Some social media applications like Line and WhatsApp are used to increase effectiveness in our work process. These online application enhance various departments to set up their own groups, including credit group, loan group, deposit group, service units, ATM, admin and back office, so problems can be solved within a timely manner [...] Apart from that, our staff throughout the country has connection with each other through the use of social media platform like Facebook which helps increase their connectivity and friendship (M5LB1).

  Communication between workers is vital because this culture helps our workers understand one another better resulting in a more effective workflow in organisation. [...] effective communication can direct workers to follow the same pattern and comprehend about what should be done and what needs to be avoided at their workplace (M6LB2) and (M7LB2).

**To experience more on the investigated topic, an add-on question was asked:**

- **Please explain how the use of technology influences the reduction of the number of workers in your organisation?**

  This question was asked to find out the implications on the application of technology on staff reduction from locally-owned banks selected for this research thesis. Participants from locally-owned banks, looked at the adoption of information technology in the banking sector in Laos in the same way as those from foreign-owned banks. They indicated that it was too much for human workers to be overly concerned about this matter. Their answer incurred one theme namely, technological involvement:

- **Theme one: Technological involvement**

  Some modern technology like self-deposit has yet adopted by our bank, only self-withdrawal from ATM is used now. However, some banks in Laos already provide self-deposit function but I do not know how effective those services are. The key thing we need to know is that in Laos, only a small amount of people is familiar with self-services or self-operation [...]. From
the beginning of 2017, our bank has tried to avoid using passbook where customers are issued a unique customer ID and password instead. Even they do not have a smart phone, transaction can be tracked via SMS. However, most customers deny this service because they like following their beliefs and familiarity as well as they feel more secured having a physical passbook with them (M5LB1).

It is yet the main threat for human workers in the banking sector in Laos currently. Based on the characteristics of consumers in Laos, it is impossible to rely heavily on the cutting-edge technology in running the business, especially in service sector like the bank. [...] the comprehension and capability of most consumers in Laos on advanced technology is low. This, as a result, means employees who provide services are still required. In the future, however, we might think carefully before hiring a new worker because technology might be used in our work as much as possible and that might replace human workers in some sorts of tasks (M6LB2) and (M7LB2).

4.3. Chapter summary

This chapter provided the findings to the questions asked in this research thesis, regarding retention tools being implemented by the banks recruited in this research thesis. These responses were presented here based on the objectives and sub-research questions as given in the following summary:

1. What staff retention strategies are implemented by foreign-owned banks FB1, FB2 and FB3 in Laos? This question was crafted to explore overall views on retention strategies adopted by three foreign-owned banks participating in this research thesis. Responses were assembled into two themes including roles of HR and line managers and job security.

2. What staff retention strategies are implemented by locally-owned banks LB1 and LB2 in Laos? This question was raised to capture strategies being used by locally-owned banks in retaining their potential employees. One theme appeared from the answers given by participants namely psychological contract.

3. What components of the remuneration packages are effective in retaining talented staff at foreign-owned banks FB1, FB2 and FB3? The aim of this question was to determine the effectiveness of constructs under compensation packages in retaining staff at the
three foreign-owned bank participating in this research thesis, through the participants’ viewpoint. Literally, participants cited both monetary and non-monetary rewards.

3.1. Please explain why you think both financial and non-financial rewards are significant to sustain talent? To narrow down the reasons behind the participants’ answers, this question was framed. Two themes were found including workplace relationship and demographic change.

3.2. Please specify some forms of financial and non-financial rewards that are significant in sustaining talent in the bank you work at? This question was framed to gain some features concerning financial and non-financial rewards used at the participants’ banks. Two themes arose that were remuneration and benefit packages and career development.

4. What components of the remuneration packages are effective in retaining talented staff at locally-owned banks LB1 and LB2? The objective of this question was to determine the significance of remuneration packages provided by locally-owned banks that took part in this research thesis, through participants’ perceptions. Unsurprisingly, respondents named two constructs including financial and non-financial rewards.

4.1. Please explain why you think both financial and non-financial rewards are significant to sustain talent? This question was asked to gain specific reasons behind participants’ responses. One theme that emerged was motivation.

4.2. Please specify some forms of financial and non-financial rewards that are significant in sustaining talent in the bank you work at? This question helped the researcher gain features under the financial and non-financial umbrella used by locally-owned banks. Answers were divided into two themes namely a lead market pay structure and promotion.

5. What components of jobs satisfaction are effective in retaining talent at foreign-owned banks FB1, FB2 and FB3? This question was fabricated to determine the aspects of career satisfaction that were effective in retaining talented staff at the foreign-owned banks. Two themes were formed based on the responses and included equal pay and employee involvement in dealing with problems.

5.1. Please provide some examples about talent-related training conducted by your bank? This question was stemmed to see the likelihood of job satisfaction in relation to significant training and development programmes provided by the banks. One theme was developed by this question that was job enrichment.
6. What components of job satisfaction are effective in retaining talent at locally-owned banks LB1 and LB2? The purpose of this question was to determine the aspects of career satisfaction that are effective in retaining talent at the two locally-owned banks. Training and development and supportive leadership were two themes emerging from this question.

6.1. Please provide some examples about talent-related training conducted by your bank? This question was developed to explore the influence of training and development programmes executed by the banks on staff satisfaction. Answers created one theme namely job enlargement.

7. What components of organisational culture motivate talented employees to stay at foreign-owned banks FB1, FB2 and FB3? The objective of this question was to determine the aspects of organisational culture that are important in motivating talent to stay at the selected foreign-owned banks. Three themes evolved from the responses including flexible work arrangement, team building and the application of religious beliefs.

7.1. Please explain how the use of technology influences the reduction in the number of workers in your organisation? This question was raised to investigate if the adoption of technology has impacted on human workers. Answers pointed to one theme which was human capital.

8. What components of organisational culture motivate talented employees to stay at locally-owned banks LB1 and LB2? This question was generated to determine aspects of organisational culture that are significant in retaining staff at the locally-owned banks. Answers were synthesised into two themes including work attire and workplace communication.

8.1. Please explain how the use of technology influences the reduction of the number of workers in your organisation? To gain some insight on the consequences of technological usage on the reduction of workers, this question was framed. Responses gave rise to one theme which was technological involvement.

In the next chapter, a critical discussion about the findings will be made with support from literature in chapter two of this research thesis.
Chapter Five: Discussion

5.1. Introduction

Chapter four categorised the findings that emerged from the data, collected through the interviews with seven participants, based on the objectives and sub-research questions in this research thesis. This chapter critically discusses themes and patterns on “How banks in Laos retain their talented employees” as being highlighted in the previous chapter against the literature being deliberated in chapter two. Each of the findings will be laid out and critically discussed in chapter 5, based on the previous chapter’s participant findings and related literature.

5.2. Discussion of the interviews

5.2.1. Sub-research question one

What staff retention strategies are implemented by foreign-owned banks FB1, FB2 and FB3 in Laos?

Informants from foreign-owned banks participating in this research thesis brought into light some specific frameworks developed and used by their banks in order to yield fruitful results regarding employee retention. Responses were categorised into two themes that were the roles of HR manager/practitioner and line manager and job security.

- Roles of HR manager/practitioner and line manager

  Participants (M1FB1), (M2FB2) and (M3FB2) cited that even though HR managers are primarily responsible for HR practices, line managers can reinforce this activity because of their closeness and direct contact with followers. Typically, both HR and line managers are representatives of employers who deliver key aspects on employment contracts to employees (Canal, 2014). These individuals take charge of multiple roles like consultant, change agent, strategic partner, administrative expert and, more importantly, employee champion (Mamman & Somantri, 2014). By saying this, HR professionals have to keep evolving in order to advance their competencies and align human capital at hands with the organisational goals (Mamman & Somantri, 2014). This implies that HR managers need to create robust tactics to attract and retain employees and work closely with other authorities in the organisations such as line managers. This is because the majority of HR policies need action and support from line
managers when transmitting those policies to the subordinates (Purcell & Hutchinson, 2007). This claim is agreed to by Sikora and Ferris (2014) who posit that while the HR department is responsible for developing rigorous HR practices at most of the firms, their implementation ultimately falls in the hands of line managers. This echoes the significant contribution that line managers make in supporting the HR department and implementing HR practices. As Sikora and Ferris (2014) note, flawless HR practices could become dysfunctional if they are distorted or poorly implemented by line managers which could bring negative attitudes to employees. For instance, if supervisors show in-group/out-group or biased behaviour towards their followers.

Fortunately, a number of middle and line managers understand the critical role of their HR responsibilities and are willing to work to improve their organisation’s HR practices (Sikora & Ferris, 2014). This implies that supervisors should have some human skills as well as some basic HRM knowledge towards employee retention, satisfaction and motivation that can bring competitive advantage to the organisation. This is because “when managers visibly implement HR practices, they can promote common employee interpretations and positively impact organisational culture and climate” (Sikora & Ferris, 2014, p. 272). With that said, HR and line managers need to support each other which means one should be the innovator while the other should be the examiner. While HR managers innovate HR policies, line managers should put those policies into practice and analyse their effectiveness. This is because line managers actively interact with workers more often than HR managers.

Simply put, not only do HR practitioners need to augment line managers’ knowledge on HR practices, any disadvantages of the HR policies should be bounced back to HR practitioners by line managers as well. This can be achieved through some specific frameworks like formal discussions or periodic meetings between those managers to exchange information as well as increase the effectiveness of their strategic roles and business partnership in fulfilling the organisational goals. As Buckley and Monks (2004) point out, the roles of HR professionals have been expanded beyond operational/day-to-day level like administrative specialist to strategic/future scope like a change agent (Figure 3).

Likewise, line managers are considered to be strategic business partners in facilitating HR practices because some HRM functions are already under the responsibility of line managers (Op de Beeck, Wynen, & Hondeghem, 2018). This suggests that support from HR practitioners are the key in motivating and persuading line managers to transform HRM knowledge into action to increase the loyalty and effectiveness among their followers. This
depicts the importance of the strategic partnership roles between HR and line managers in the management of staff to achieve the business goals.
Figure 3: Summary of HR roles and HRM roles of line managers

**HR’s operational roles**
- Legge (1978): Conformist innovator, problem solver
- Tyson and Fell (1986): Clerk of works, contracts manager
- Storey (1992): Regulators, handmaidens
- Ulrich (1997): Admin expert, employee champion
- Ulrich and Brockbank (2005): Employee advocate, functional expert
- Caldwell (2001): Adapter, consultant

**HR’s strategic roles**
- Legge (1978): Deviant innovator
- Tyson and Fell (1986): Architect
- Storey (1992): Advisors, change makers
- Ulrich (1997): Change agent, strategic partner
- Ulrich and Brockbank (2005): Human capital developer, strategic partner, HR leader
- Caldwell (2001): Synergist, champion

**Employee affective commitment, engagement, motivation, satisfaction and loyalty**

**Line manager’s enactment of HR practices**

**Line manager’s relations-oriented leadership behaviour**

Source: Developed by the researcher based on Truss, Mankin, and Kelliher (2012); Gilbert, De Winne, and Sels (2011).
- **Job security**

Another theme raised by participants (M1FB1) and (M4FB3) shined the light on the influence of job security on employees’ intention to stay. The sense or the level of certainty provided by job security can eliminate stress existing in employees in relation to job loss or instability in their careers (Wang, Lu, & Siu, 2015). The authors mention that job insecurity is likely to cause employees job-related stress and poor emotional feelings towards their employers even though most current employees tend to be familiar with shorter employment cycles like temporary or short-term contracts. In contrast to job insecurity, job security is one of the most important factors that workers rank in relation to job satisfaction (Wang et al., 2015). This anchored the idea that if employers give long-term contracts to their employees, employees tend to maintain reciprocal feeling which, in turn, increases their engagement, energy, satisfaction and organisational citizenship behaviour (Dugguh & Dennis, 2014).

Workers in pursuit of job security tend to work to satisfy their basic needs rather than chasing for higher extrinsic prizes (Chen & Hsieh, 2015). This claim is greatly valid in application to Lao context where job security is often used in compromise with low pay. For example, while public servants earn much less compared to those who work for private companies or INGO, their job security is more stable. However, giving employees a long-term employment contract until their retirement has never been existed in private organisations but this does happen in the public sector. This practice tends to be a great motivator if employers can implement it especially in Laos, where the unemployment rate is high amongst new graduates (Xinhua, 2018). It is believed that if employees work hard but do not have a secured job, those employees are likely to be dissatisfied with their careers, have job burn out or seek job security from elsewhere. As a result, the intention of employees in continuing their careers with employers is stronger at the workplaces where jobs security is found (Dugguh & Dennis, 2014). This is because employees do not have to worry about finding new jobs time after time which may lead them having to start all over again. Even worse, that can negatively impact on other areas of their life such as having no income, being unemployed, relocating elsewhere to find a job, and having debt.

In summary, foreign-owned banks FB1, FB2 and FB3 firstly focused on roles of HR practitioners and line managers in mapping out strategies towards staff retention. This means line managers were considered to be business and strategic partners of HR professionals in implementing HRM. Secondly, job security was implemented to provide a sense of career stability, satisfaction and long-term employment to their employees which is considered to be crucial, especially, in Laos where new graduates are often unemployed.
5.2.2. Sub-research question two

What staff retention strategies are implemented by locally-owned banks LB1 and LB2 in Laos?

Through participants’ viewpoints, locally-own banks taking part in this research thesis have focused on influencing their staff’s psychology. This means they acknowledged the contribution made by each individual employee within their bank and retained capable employees by speeding up their job advancement. Responses illustrated one theme which was psychological contract.

- Psychological contract

The nature of psychological contract inclines to be relational rather than a transactional paradigm, so it usually boosts employees’ long term interest and commitment. Participant (M5LB1) reported that as the HR manager, he tried to intrinsically motivate workers by communicating that each individual employee was highly valued by the bank regardless of their seniority and positions. This type of encouragement and support could lead to employees developing their reciprocal relationship or psychological contract – beliefs and perceived obligations that both employers and employees owe and are being owed on each other outside their formal contract (Hui, Lee, & Rousseau, 2004).

These unwritten rules and exchange of relationships between employees and employers catalysed employees to increase their commitment and motivated them to go extra miles beyond their employment contract as they believe that such behaviours can bring them extra rewards and recognition. That means that the psychological contract is the main vein in an employment relationship between workers and employers (Hui et al., 2004). These perceived obligations and their fulfilment have been found to have an influence on employees’ attitudes and behaviours. One the one hand, if the psychological contract is well maintained, employees are motivated to take on extra roles, increase trust, satisfaction and intention to stay with the organisation (Clinton & Guest, 2014). On the other hand, if the psychological contract is breached, employees are likely to develop poor organisational citizenship behaviour. This means if employees perceive that their employers cannot deliver their exchange obligations, employees might respond by lowering their psychological contract through a reduction of commitment and effort as well as heighten their intention to quit (Clinton & Guest, 2014).

To influence the psychological contract of talented employees, participants (M6LB2) and (M7LB2) said that a priority was given to them. The priority was that talented employees would be promoted faster than normal ones. This practice implies that if the bank treated its
employees from their heart, employees’ perceived obligations could be grown which, in turn, had a direct impact on their future behaviours. These informal beliefs triggered a psychological contract for employees and influenced them to stay and do some work favours in return for their employers.

In conclusion, implanting and augmenting employees’ psychological contract were used to magnetise employees to locally-owned banks LB1 and LB2. This meant that all of an individuals’ contributions were being recognised and valued by the banks and the star performers were quickly promoted to higher positions than usual, to create a strong psychological contract with their employees.

5.2.3. Sub-research question three

What components of the remuneration packages are effective in retaining talented staff at foreign-owned banks FB1, FB2 and FB3?

Responses clearly revealed that both monetary and non-monetary rewards were exploited side by side because each of them were entailed with different purposes and functions. A fairly designed reward management structure is a silver bullet in motivating, engaging and retaining employees (Terera & Ngirande, 2014). Factors like salary and bonuses as well as other non-monetary incentives such as supervisor-subordinate relationship, demographic changes in the workforce and career growth should be included in the reward management structure so that to retain scarce knowledge and skills.

− Please explain why you think both financial and non-financial rewards are significant to sustain talent?

Participants from the first and the second foreign-owned banks explained that besides financial compensation, a meaningful relationship within the workplace plays a crucial role in motivating employees to stay. Moreover, participants (M3FB2) and (M4FB3) also pointed to some life events that seemed to have influences on an employee’s intention to stay. The findings were classified into two themes including workplace relationship and demographic change.

• Workplace relationship

Participants (M1FB1), (M2FB2) and (M3FB2) agreed that a workplace relationship functions as the bond that ties employees to their workplaces. This type of relationship is largely impacted by the quality of closeness, interaction and support that employees receive from their supervisors and colleagues (Brunetto et al., 2013). This notion indicates that leaders
should nurture high quality of mutual relationship with their subordinates in order to form trust and respect between the two parties (Northouse, 2015). This means that, to strengthen supervisor-subordinate relationship, supervisors should demonstrate both task and relationship behaviours which means supervisors should treat their subordinates like humans not robots. This is because one of the most obvious reasons behind employees’ resignation is having a poor relationship with their immediate supervisors (du Plessis & Sukumaran, 2015).

Research unearthed that workplace relationship covers almost 42% of the total score in the survey regarding constructs under staff retention and stands just below career growth and performing interesting tasks (Aguenza & Som, 2012). It is well known that having a flourishing relationship in the workplace can support a great work climate and a sense of satisfaction to employees. If employees are being valued and cared for, their perceived organisational support and psychological contract tend to be strong. Perceived organisational support has a direct impact on the quality of supervisor-follower relationship, employee citizenship behaviour and retention (Brunetto et al., 2013). Northouse (2015) claims that the likelihood of interaction and relationship between leaders and followers are the predictors of the follower’s advancement in organisation. When the relationship between two parties is strong, followers are likely to gain more trust, support and consideration from leaders and to take charge of important roles which is beneficial for their career progression. This means that besides economic factors, employees also look for supportive behaviours from both co-workers and supervisors in order to make a contribution and thrive in their career (Dewhurst, Guthridge, & Mohr, 2009).

More importantly, nobody wants to be isolated and work with or be surrounded by unfriendly supervisors and colleagues because it can be detrimental both to their physical and psychological productivity. Further to this argument, Lao culture falls in the collectivist domain where citizens are encouraged to live collectively both in their personal and professional lives. This implies that employees may anticipate to work where their colleagues support each other, show integrity, honesty and having respect for others in order to mitigate risks and avoid workplace conflicts.

- **Demographic change**

Another area covered by participants (M3FB2) and (M4FB3) depicted the idea of how changes in employees’ work and non-work settings, such as getting married, having children and being familiar with their jobs, have influences on employees. These significant changes force organisations to alter their HRM policies and practices to maximise the ability in attracting, motivating and retaining young workforces and, in the same vein, exploit the
expertise and experience of aging workers (Bieling, Stock, & Dorozalla, 2015). This urges the inclusion of the law of individual differences with an employee retention program because each cohort of a workforce is equipped with unique characteristics like personalities, abilities, values and needs (Twenge et al., 2010). Take for example, free childcare services may be provided to attract workers who have children while flexible work arrangements are aimed to induce young labour. This finding was in line with the literature provided in chapter two of this research thesis, where workforces are usually shaped by their professional life events and experiences making them develop their own traits. This suggests that organisational behaviour exhibited by a young workforce may differ from that generated by an aging workforce and hence their motivations (Twenge et al., 2010). The literature suggests that organisations should verify their HR policies and practices in light of demographic changes to increase the likelihood in attracting and retaining talented staff (Bieling et al., 2015). The authors further explain that age diversity management should be used in order to attract talent across all age groups as well as demonstrate that all workers are treated fairly. That is, HR professionals should avoid making assumptions or generalisations based on stereotypes within each work group. Instead, they should build and implement HR policies and practices based on a broad spectrum like employees’ performance, effort and potential rather than ages (Bieling et al., 2015). This can also mean that all Baby Boomers may not be financially driven and not all Generation Z are digitally committed, so HR practices should be built to reflect many dimensions of employees’ behaviours and motivations as possible.

Please specify some forms of financial and non-financial rewards that are significant in sustaining talent in the bank you work at?

Under the financial umbrella, all participants cited compensation packages while several programs that facilitated job growth of employees were raised under the non-financial stream. Responses were classified into two themes namely, remuneration and benefit packages and career development:

- Remuneration and benefit packages

All participants in the research from foreign-owned banks FB1, FB2 and FB3 agreed that one of the most obvious constructs associated with workforce retention was likely to be compensation. Remuneration packages are still highly regarded by HR practitioners as the main retention strategy because they can fulfil both economic and non-economic requirements for staff (Terera & Ngirande, 2014). This demonstrates that organisations always use HR practices like rewards as a main tool in maintaining and increasing the levels of commitment and loyalty
from their employees (Fischer, 2004). Compensation not only brought status to employees within their workplaces but in general society as well. This meant that high compensation could reflect high education and knowledge that employees had, so uplifting their reputation.

The above assumptions fell in the domain that compensation was one property that dictated the level of engagement and loyalty of employees. As Janssen (2001) claims, employees tend to exchange their effort with organisations based on the ratio of rewards that they receive. That is to say compensation packages set by employers should be fair and well align with employees’ knowledge, skills and capabilities in order to maximise their ability in motivating and retaining those scarce resources (Al-Emadi et al., 2015).

It was true that not all employees were financially oriented to remain with their organisation but primarily, individuals worked to meet their basic needs as well as support themselves and their families. By this, a fair and attractive remuneration and benefit package has become one main feature that glues workers to their work places. To shine the light on this idea, participant (M1FB1) admitted that she wished she could earn more, while (M4FB3) said that the likelihood of long-serviced workers to quit is marginal because they could earn a high income from their current employer. To supplement compensation, (M1FB1) described that a supreme insurance package was provided to every employee at bank FB1, that covers a whole family, including same sex partners as long as their status was declared to the bank. This supports the importance of remuneration and benefit packages in igniting the sense of motivation and reducing staff turnover, specifically in Laos, where living costs are ballooning, society is driven by materialism and the majority of workers struggle with financial security.

• Career development

Besides remuneration and benefit packages, factors like empowerment, training and development as well as educational opportunity were brought into discussion by all participants which mirrored the concept of career development. This finding was consistent with Aktar, Sachu, and Ali’s (2012) study of which showed that apart from financial rewards, various means of non-financial motivators can be used to optimise the stay of employees using praise, recognition, leadership opportunity and career development. In other words, employees should not be obligated to only salary and bonuses but also have the opportunity to thrive and grow within their workplaces. To illustrate this, participant (M1FB1) proposed that her bank has:
Secondment policy which enables a number of employees to have opportunity to work at other overseas branches like Myanmar, Australia, Singapore and Hong Kong for a period of three months.

Career development enhanced workers to improve their professionalism that ultimately enabled them to earn more income, gain promotion and advancement in their professions. This illustrated that career development is the gateway that enables workers to meet multidimensional aspects in their career prospects like promotion and pay (Weng & McElroy, 2012). Jehanzeb and Bashir (2013) argue that chances for career advancement can cause emotional agreement between employers and employees which guarantees loyalty and long term obligation from employees. Research found that career advancement has a strong impact on employee-organisation relationship and the level of psychological contract that employees form towards their organisations (Weng & McElroy, 2012).

According to Aguenza and Som (2012), career growth and learning represented almost 43% of the total score in an employee retention survey carried out by Career Systems International. Collectively, these two components ranked only below having ‘exciting work/challenging tasks’. This implied that the greater the career advancement the organisations offer, the stronger will be the employee-organisation relationship and the less likely of a high staff turnover. Hence, leaders should demonstrate that there is always room for employees to grow by providing career development opportunities like training and job delegation. Delegation can bring a sense of achievement and autonomy to workers as it allows them to follow their own strategies in accomplishing the delegated tasks. Having said that, career development is considered to be the milestone that highlights career progression of employees and leads them to higher positions.

In summary, foreign-owned banks FB1, FB2 and FB3 exploited both financial and non-financial constructs in retaining their potential employees. These included, firstly, workplace relationship where employees could build a strong bond and networks with their colleagues. Secondly, demographic change in which significant life events such as being married and having children helped influenced the decision made by employees on their career continuation. Thirdly, remuneration and benefit packages that helped fulfil employees’ financial needs and uplifted their status in both work and non-work settings. Lastly, career development that broadened opportunities for employees in exposing to the betterment in both professional and non-professional lives.
5.2.4. Sub-research question four

What components of the remuneration packages are effective in retaining talented staff at locally-owned banks LB1 and LB2?

All participants from locally-owned banks participating in this research thesis admitted that remuneration packages implemented at their banks were both financial and non-financial focused. Financial rewards like a lead-market pay structure as well as non-financial constructs like motivation and promotion, were used to fully motivate and harness employees to the banks. This is because both financial and non-financial rewards are entailed with their own specialties and have no clear cut threshold on their betterment or deterioration in regards to employee performance and retention (Dewhurst et al., 2009).

- Please explain why you think both financial and non-financial rewards are significant to sustain talent?

Findings implied that even though both monetary and non-monetary rewards were allocated to achieve different motivational factors, their main aim was to motivate employees. As a result, this gave rise to one theme which was motivation.

- Motivation

From participants’ perspectives, the primary aim of monetary and non-monetary rewards was to keep employees motivated. Motivation was applied to accelerate employees’ highest potential and engagement and, at the same time, reduced the turnover rate. Motivation dictates employees’ behaviours as well as aligns their interests with desired organisational mission, vision, strategies and values (Aguenza & Som, 2012). More importantly, motivated employees are likely to strengthen their effort and remain in organisations longer than those who are demotivated (Sandhya & Kumar, 2011). As a result, various components were adopted to maximise both extrinsic and intrinsic motivation from employees. Given that extrinsic motivation was well reflected through financial related-rewards like pay and fringe benefits, intrinsic motivation could be viewed in the form of enthusiasm towards ones’ job because of a sense of self-regulation and self-motivation. These reward schemes fell under content and process theories of motivation. While content theories deal with factors that energise and direct individuals’ consistent behaviours, process theories explain how those behaviours are caused, sustained and dealt with successfully using motivational factors (Tozlu & Kurtipek, 2015). It is crucial that HR experts or concerned authorities integrate motivational factors such as needs, motives and wants into HR practices because these components can truly reflect what employees value (Tozlu & Kurtipek, 2015). Some scholars are of the view that regardless of
how many figures an employee’s salary is, the majority of them are likely to be intrinsically motivated in the long run (Terera & Ngirande, 2014). This means while salary is used to reflect past performance and encourage routine and less risk taking behaviours, praise and recognition are used to trigger self-esteem and competence of workers (Chiang & Birtch, 2012). Factors like praise from immediate supervisors or opportunities to lead or supervise an important project or team can create more meaning than cash bonuses or an increase base pay because they replicate the stepping stones for employees’ career advancement and growth (Dewhurst et al., 2009). Thus, what these authors stated has fuelled more and more companies to go above and beyond the financial rewards by making more use of cost effective non-financial incentives in order to create the right momentum in their compensation and benefit schemes. As participant (M7LB2) signalled, unlike a zero economic value that it holds, non-financial rewards can be delivered easily and have a substantial impact on employees’ motivation.

Please specify some forms of financial and non-financial rewards that are significant in sustaining talent in the bank you work at?

The research findings bared the ideas of a lucrative pay structure used by one bank and a promotional scheme which was quoted by all respondents. As a result, two themes arose from this question which were a lead market pay structure and promotion:

- **A lead market pay structure**

  Informants (M6LB2) and (M7LB2) who took part in this research thesis covered the lead market pay structure used by bank LB2. Even though there were several types of compensation structures, the pay structure adopted by this bank reflected the lead market pay strategy where the employer compensates its employees higher than existing current market rates or that being offered by its competitors. From the participants’ views, it could be inferred that the lead market pay structure tended to be a valuable and powerful tool in retaining top talent, since it helped fulfil a monetary desire required by employees as well as induced a pool of new talent. Staff management can be directly influenced by compensation packages used by the firms because the levels of staff satisfaction and performance are closely associated with their pay scheme (Osibanjo, Adeniji, Falola , & Heirsmac, 2014).

  The lead market pay structure is believed to bring various benefits to employers like a higher supply of talent pool and lower turnover rate (Society for Human Resource Management, 2018). This claim is likely to exist within bank LB2 as the two informants accepted that:
Lucrative pay from the bank helps attract lots of candidates and staff resignation because of being approached by other organisations or to join other banks has never happened at our bank (M6LB2) and (M7LB2).

This portrays that a high pay is so powerful and effective as it empowers employees to gain access to material needs and enlarges their status symbols (Terera & Ngirande, 2014). Applying this to the Lao context where individuals were overshadowed by materialism, a lead-market pay could enhance the level of satisfaction of employees. That says individuals often feel proud if they can work with well-known organisations and earn a high salary which increases the likelihood of their financial power. As Sadri and Bowen (2011) reflects, workers also want reputation and recognition from their jobs in order to earn some adoration and respect from people around them. Ultimately, it should be noted that even though a lucrative pay could shape the commitment level of workers and have an influence on their stay, informants (M5LB1), (M6LB2) and (M7LB2) posited that having the right momentum between financial and non-financial incentives needs to be built. This aligns with Osibanjo et al.’s (2014) suggestion that extrinsic rewards like pay can fulfil only one side on retention issues while the other side can be achieved through intrinsic rewards such as delegation of authority, job growth or even a simple word like thank you.

• Promotion

Another key area that the findings directed to was promotion which was used to recognise and encourage potential employees as well as build a strong foundation for their future career growth. As Gul et al. (2012) mention, promotion is a meaningful strategy in developing, praising and acknowledging high performers which results in a long term commitment and a sense of security among predecessors. Hytter (2007) maintains that the strongest factor tied to staff retention tends to be other symbolic factors like promotion rather than external rewards like pay. Apart from this, promotion opportunity is found to have a strong relationship with employees’ long-term commitment and satisfaction (Mustapha & Zakaria, 2013). This means, according to the same authors, the likelihood of satisfaction, commitment, performance and loyalty within employees who have chances in vertical mobility in their career, tends to be higher than those who are not. Promotion enables employees to work with more challenging tasks, be expose to career development and leadership opportunity as well as receive higher compensation (Bognanno & Melero, 2016). More importantly, it enhances employees to conquer the positions that used to be occupied by their bosses as well as augmented their power and reputation. For this reason, promotion not only broadens
employees’ responsibilities but also nurtures their leadership and management skills (Mustapha & Zakaria, 2013).

However, Gul et al. (2012) suggest that to create an effective promotional policy, employee assessment should be based on multiple factors like knowledge, abilities, skills, experiences as well as performance history. This signalled that glass ceiling, discrimination, bias, preference and in-group/out-group behaviours should be avoided in employee promotional decisions, to ensure that all potential employees were treated equally. Reflecting on this, nepotism unconsciously existed in most organisations and well perceived among workers in Laos. As a result, promotion sometimes backfired on both the team and employees themselves because promoted employees were unable to deliver their tasks effectively. As one participant described:

*If promoted workers cannot cope with or work effectively in their new role, they would be demoted. Even people in high positions like managing directors sometimes cannot deal with their new responsibilities (M5LB1).*

This mirrored the truth that promotion has been continuously used as a motivator and retainer in Laos even though its fairness was sometimes unjustifiable.

To summarise, remuneration and benefit packages implemented at locally-owned banks LB1 and LB2 were both monetary and non-monetary driven. Primarily, motivation was the major outcome of both monetary and non-monetary rewards in which extrinsic and immediate motivation could be sourced from cash-related rewards. Whereas, intrinsic and long-term motivation could come from non-cash related rewards. Next, bank LB2 has adopted the lead-market pay structure to satisfy their employees as well as attract potential candidates from outside. Lastly, promotion was practiced at both banks to praise potential workers, reinforce their career progression and prepare them to become future leaders.

5.2.5. Sub-research question five

**What components of job satisfaction are effective in retaining talent at foreign-owned banks FB1, FB2 and FB3?**

Being able to narrow or eliminate a pay gap and getting employees involved in operational and decision making processes were raised by informants from foreign-owned banks participating in this research thesis. This led to the emergence of two themes, specifically, equal pay and employee involvement.
Equal pay

Participant (M1FB1) in this research thesis commented that transparency and fairness in payment were what employees wanted to be revolutionised, based on the survey conducted at bank FB1. Similarly, informants (M3FB2) and (M4FB3) reinforced this idea saying that employee appraisal was used to narrow the pay gap between workers. Fair pay was supported by almost one third (32%) in the survey under taken by Career Systems International, concerning attributes of employee retention (Aguenza & Som, 2012). These authors claim that a good, fair and competitive salary as well as how the salary is managed do influence staff retention and staff feelings.

Hence, to increase levels of commitment and loyalty as well as to maintain a good bond between employees and organisations, it is crucial that organisations commit and be able to show fairness to their employees (Fischer, 2004). This says that once employees perceive justice within their workplace, they not only engaged in extra-roles and reciprocity but are also heightened with their job satisfaction. However, “when employees notice inequities in their salaries paid, their morale and motivation will suffer” (Sandhya & Kumar, 2011, p. 1780). Inequality in payment also indicates both gender bias and the likelihood of investment employers made for their human capital (Lips, 2013). Put simply, gender biased could be reflected through the stereotypes attached to female workers that they are less likely to be productive and engaged in full time employment. Human capital could be viewed in relation to how likely employers were interested in investing in their employees’ education and training so that they can acquire new skills and competencies needed in performing their jobs. Employees should be physically, psychologically and financially rewarded according to the inputs or values that they bring to the employers; not by their ages, genders or sexual orientation. This reflects that equal pay should be guaranteed by organisation once employees’ tangible inputs like education, work hours and years of experience are matched (Lips, 2013).

Most organisations in Laos, however, appear to lack transparency and fairness in payment in which hard workers might receive a lot less than their effort they put into their jobs. As one HR manager who took part in this research noted:

There is no payment standard in Laos (M1FB1).

Employee involvement in dealing with problems

Besides equal pay, employee involvement was cited by respondents (M1FB1), (M2FB2) and (M3FB2) as another construct in supporting employee satisfaction. Staff involvement was likely to influence both employees’ behavioural and psychological
dimensions because it helped employees achieve both work-related comprehension and relationship skills. Many scholars are of the opinion that employee involvement and empowerment create a sense of self-efficacy, satisfaction and organisational citizenship behaviour to employees (Pelit, Öztürk, & Arslanlıtürk, 2011). Getting workers involved in job design and problem solving processes helps deepen their career competency, leadership capabilities and makes them feel part of the answer and company’s future (Dewhurst et al., 2009). Terera and Ngirande (2014, p. 483) posit that “employees are likely to stay in organisations where they believe that their capabilities, contributions and efforts are appreciated”. Adding to this theme, participants (M1FB1), (M2FB2) and (M3FB2) mentioned that empowerment and autonomy were given to employees at their banks to create highest satisfaction among them. Every individual has the potential to create added-values to the organisation and deserves a chance to express her/his opinions (Bach & Edwards, 2013). If workers were empowered and their ideas were incorporated into operational and decision making processes, their sense of autonomy and positive attitudes are likely to increase. Workplaces that value workers’ ideas, support them when they come up with useful opinions and encourage them to ask thoughtful questions, can work more productively because more great ideas or alternative solutions to a problem can be generated (Ceniza-Levine, 2015).

However, it was more likely that most organisations in Laos have followed top-down management practices where autocratic leaders tell their followers what to do and blocked the communication or feedbacks from all directions. This implies that the opportunity for employees to participate in decision making processes were diminished. If employees were getting involved in work processes, their trust as well as supervisor-subordinate relationship tended to be strong resulting in a rise in their reciprocal feeling, psychological contract and satisfaction. As Bach and Edwards (2013) suggest, organisations should embed a mechanism of employee involvement to improve the level of organisational commitment and job satisfaction of their employees. Reflecting on this, M1FB1 admitted that workers at bank FB1 were being involved in creating their own career roadmap and work on their own strategies to maximise their involvement. Whereas at bank FB2, participants (M2FB2) and (M3FB2) maintained that employees were encouraged to face and generate solutions for the problems that they face and not just wait for the directions from the leaders. These involvements can ignite employee satisfaction as their contributions were being valued which, in turn, encouraged their loyalty.
- Please provide some example about talent-related training conducted by your bank?

Responses given by participants pinpointed the idea of how training and development programmes can broaden the opportunity to employees in acquiring work-related knowledge and paving the way for their career growth. This gave rise to one theme which was job enrichment.

**Job enrichment**

One meaningful concept under job design was job enrichment which appeared to have a positive impact on employee performance and their intention to stay with their current employer. Enriched jobs vertically expand employee responsibility and empowerment meaning that employees gain more autonomy over their jobs as well as gain chances in dealing with more challenging and interesting tasks (Sharma, 2016). This meant the likelihood of employees in exposing to new areas of responsibility was increased, resulting in less boredom from repetitive tasks, less absenteeism and turnover. Furthermore, an enriched job opens the door for career development and advancement making employees more engaged and committed (Sharma, 2016). Further to this theme, job enrichment is a ticket to a knowledge pool and skills as well as providing opportunities for the development of future leaders. Job enrichment can inspire employees’ career pathway and increase their affective commitment – the idea is that employees are committed because they want to, not because they need to or ought to – (Duffield, Baldwin, Roche, & Wise, 2014). These authors also believe that employees could acquire and nurture their knowledge and skills from enriched jobs so increasing their likelihood to be promoted to management or advanced positions. Furthermore, job enrichment stimulates task significance, task identity and skill variety to employees (Vijay & Indradevi, 2015). Simply put, task significance helped workers feel a sense of meaningfulness because they make valuable contribution to organisations. Task identity points to the idea that an employee’s contribution can lead to the completion of a whole and identifiable piece of work (Robbins et al., 2017), whereas skill variety implies a number of capabilities that are workers equipped with (Vijay & Indradevi, 2015). If employees are assigned to a greater task variety and more responsibilities, the likelihood of their personal growth tends to increase. This implies that those employees may heighten their effort in order to stand out from the rest of their colleagues so they can be promoted, earn higher income and be satisfied with their work achievements.

In Laos, however, enriched jobs and enlarged jobs are ambiguous because of the hierarchical organisational structure being practiced by most organisations. In other words, employees’ autonomy is not often compatible with their responsibilities because most of
decisions and communication are top-down approaches. This notion is clearly shown in Soukamneuth’s (2006) work where he explains that collective consensus is promoted in most Lao organisations in which competent, junior workers are often marginalised and rarely able to make independent decisions without agreement from higher authorities. This illustrates very little participation from employees is considered where the majority of decisions are still made by top leaders. To support this, respondent (M2FB2) emphasised that:

*Employees should not make any decisions that are ‘offside’ their supervisors or over their ability.*

To sum up, components that can create job satisfaction to workers at foreign-owned banks FB1, FB2 and FB3 consist of: Firstly, equal pay. Equal pay allowed workers to earn the same amount of pay regardless of their gender or sexual orientation. Secondly, employee involvement not only enhanced employees’ participation and contribution but also empowered them to design and plan their own career prospects. Lastly, job enrichment which increased the likelihood of workers in exposing them to more exciting tasks and higher responsibilities.

### 5.2.6. Sub-research question six

**What components of job satisfaction are effective in retaining talent at locally-owned banks LB1 and LB2?**

Responses encompassed the ideas of the meaningfulness of training and development opportunity as well as supportive behaviour from leaders in strengthening employee career satisfaction. Answers were grouped into two themes namely, training and development and supportive leadership.

- **Training and development**

  All interviewees signaled that training and development programmes brought various benefits to employees and organisations alike. Jehanzeb and Bashir (2013) explain that employees always look for opportunities to earn novel skills that facilitate both their personal and professional development. Through training and development, employees were enabled to extend and update their work-related capabilities and other social-oriented skills. Besides technical skills improvement, workers can also cultivate and develop their soft skills through training and development programmes (Jehanzeb & Bashir, 2013). These authors believed that such programmes enhanced employees in acquiring career competencies and human skills that helped advance their performance level and leadership capacity. This, in turn, enhances their ability in coping with challenging tasks, prepares them for future growth, leads them to better compensation and job satisfaction (Jehanzeb & Bashir, 2013). Training and development is not
only designed to strengthen workers’ current and future performance efficiency but also for the sake that knowledge learned will be transformed into the firm’s resources pool and that it will contribute to the overall goal of the firms (Tahir, Yousafzai, Jan, & Hashim, 2014). In other words, the purpose of a training is not only limited to delivering knowledge and skills for workers but also implanting organisational missions, values and culture to its workers (Dessler, 2009). This is because, the author explains, most of the time these programmes are conducted in harmonious with and to fulfil the organisations’ long term strategic development plans. Even though training and development programmes need to be designed to fit with organisational needs and goals, it eventually results in a higher level of employee satisfaction and a lower level of employee turnover rate (Jehanzeb & Bashir, 2013). Through these programmes, employees can perceive that their employers are interested in investing in them and preparing them for the betterment of their future career. As Duffield et al. (2014) conclude, development opportunities that employees received from their employers enhance their satisfaction, commitment and ultimate retention.

In this research, all participants from locally-owned banks taking part in this research demonstrated that training is conducted based on both banks’ training agenda and employees’ requirement. This is to ensure that their staff’s knowledge is being refreshed and up to date, especially, IT staff, where training is often taken place overseas. This highlighted that training and development programmes have been adopted to optimise employees’ knowledge and satisfaction.

- **Supportive leadership**

Another point highlighted by interviewees was supportive behaviour from leaders. Supportive behaviour from leaders can capture the heads, hearts and souls of workers resulting in a high level of engagement and commitment (Anitha, 2014). Supportive leadership can be reflected through a concern for subordinates’ needs and welfare as well as the facilitation of a healthy relationship between the two parties (Schyns et al., 2009). This means supportive leadership is characterised as “understanding and acknowledging subordinates’ perspectives, giving opportunities for choice, supporting individuals’ competences, and encouraging personal initiative” (Oostlander, Güntert, van Schie, & Wehner, 2014, p. 872). Employees were willing to accelerate their best potential if they gain support from surrounded individuals like their peers and bosses. This indicates that the level of supportive leadership is largely dependent on how leaders treat their followers based on leader-member exchange theory (Schyns et al., 2009). This theory led to the emergence of in-group/out-group behaviour and conflict of
interest meaning that individuals who actively interact with their leaders tended to gain more support than those who did not. From this, leaders should avoid treating their followers unequally that could lead them to mitigate their sense of satisfaction. Supportive leadership can be increased through employee job delegation as it not only facilitates workers’ career development but also increases leader-member exchange relationship (Choy, McCormack, & Djurkovic, 2016). Job delegation could facilitate the mutual relationship and strong trust between leaders and subordinates as well as enhanced opportunity for workers to become a master in their careers. Through this, workers can perceive how they are supported, trusted and valued by both supervisors and organisations which, in turn, repercussion their reciprocal behaviour (Dewhurst et al., 2009). As a result, supportive leadership has become one key area in maintaining employees’ commitment and loyalty.

Please provide some example about talent-related training conducted by your bank?

From the findings, it can be said that these programmes were provided to prepare employees for extended and larger responsibilities especially on the occasions of new product launching. Therefore, this question catalysed one theme which was job enlargement.

- **Job enlargement**

One obvious concept concerning job design was job enlargement which referred to the idea of the integration of a number of activities onto employees’ existing jobs. Harnessing employees to organisation by adding extra roles and responsibilities to their existing activities tends to be an effective mechanism provided that it could optimise psychological attitudes to employees (Zareen, Razzaq, & Mujtaba, 2013). Enlarging jobs not only reduced monotony through adding excitement and interests to the job but also hinted at the idea of how organisations care for their workers and wanted them to be developed. That is to say, not only organisations that benefit from enlarged job but employees themselves too (Zareen et al., 2013). Employees could demonstrate their work-related quality like knowledge, skills, capabilities and versatility through job enlargement in order to prove that they were ready to move to higher roles. In other words, this reinforced the ideas that some employees desired to take charge of multiple tasks to advance their knowledge, skills and experience. Hence, job enlargement can influence the sense of motivation, satisfaction and commitment of employees because it enables them to learn a variety of skills (Zareen et al., 2013). However, it should be noted that some scholars are of the view that job enlargement tends to mitigate its productive quality in the long run (Raza & Nawaz, 2011). This means that the sense of satisfaction and motivation developed by employees could be lessened if they were required to broaden their
responsibilities in an exchange for the same amount of pay for a long time. The scope of work and amount of workload from enlarged jobs can trigger employees to think that their employers try to take advantage of them by maximising their responsibilities but limiting their compensation (Raza & Nawaz, 2011). Moreover, some employees are satisfied with only their specialised tasks and dislike to widen their responsibilities beyond their comfort zones (Zareen et al., 2013). Employees who fell under this domain were likely to resist job enlargement, leading them to lower their engagement, commitment and motivation.

Hence, jobs should be carefully designed in order to fully capture the attitudes of employees so they were motivated to perform above and beyond their job description. More importantly, job enlargement should be kept minimal and should be used in parallel with job enrichment to demonstrate that employees were rewarded according to their effort.

To recap, locally-owned banks LB1 and LB2 used various components to maintain a healthy level of job satisfaction of their workers. Firstly, training and development were employed to expand workers’ knowledge, skills and capabilities which created benefits to them in both their personal and professional lives. Secondly, supportive leadership was being practiced, meaning that workers were given chances in dealing with challenging tasks, participating in training and development courses and continuing their studies both locally and internationally. Finally, job enlargement was adopted to minimise monotony as well as shape workers for higher responsibilities in their career.

5.2.7. Sub-research question seven

What components of organisational culture motivate talented employees to stay at foreign-owned banks FB1, FB2 and FB3?

To create unique culture and induce workers, each foreign-owned bank participating in this research thesis has implemented various techniques. A number of constructs were cited by participants including non-traditional work schedules, team work, and the use of a specific code to name employees within the bank. Answers were grouped into three themes namely: flexible work arrangement, team building and the application of religious beliefs.

- Flexible work arrangement

Firstly, informants (M1FB1), (M2FB2) and (M3FB2) raised the idea of flexible work arrangement that enhanced workers to be adaptable and agile between their work and non-work commitments. By using this practice, hours, days and the place of work can be arranged to best suit individual and business requirements alike (Employment New Zealand, n.d.). This type of work schedule signalled how organisations cared for their workers by giving them more
autonomy in the way that they handle their tasks. This meant workers were not required to cram in the traditional working timeframe that forced them to come to work on 8am to 5pm from Monday to Friday. Instead, workers could decide to present and leave their office on the times and days allocated by their organisations. As a result, the likelihood of employees experiencing a healthy work-life balance increases, leading them to be satisfied with their jobs. Work-life balance was a crucial construct that current workers desired from their managers in order to minimise the conflict between paid and non-paid roles. Work-life balance could improve the perception and satisfaction of employees towards their organisations and that strengthens their organisational commitment and loyalty (Thompson, Payne, & Taylor, 2015).

Flexible time has been partly used in Laos even though some organisations used it as a pilot study in helping their workers avoid rush hours, so that workers can start early and finish early or vice versa. However, it is worth noting that only some participants in this research thesis mentioned flexible work arrangement and it was unclear on which hours and days workers are required to be present at the banks. According to the study, a flexible work arrangement is usually consists of core time and flex time as well as flex days assigned by employers (Thompson et al., 2015). For instance, these authors explain, 9am-3pm are core times that workers are required to work and 6am-9am or 3pm-6pm are flexible times that workers can conduct their work based on their desire. Employers might also set the numbers of days per week or month that workers were required to come to work in the office. The idea of flexible work arrangement has been on the increase in many modern organisations.

The parent company of Virgin in the UK and the US, for example, has not been rigid on annual leave of their workers so they can take as many days as they want. Workers were encouraged to decide when they wanted to take leave and when they should come back to work to avoid negative impacts on their teams as well as their career. It is said that what needs to be focused on are work results, not numbers of hours or days worked (Virgin, n.d.).

- **Team building**

The second idea that was cited among participants was teambuilding. Cohesion within teamwork increased the likelihood of problem solving ability in which every employee made a contribution and helped the team to meet its goals. In recent years, many firms focused on team-based structures to increase their productivity because it enables all individuals to share their ideas, play a part in generating solutions as well as improve their communication and leadership skills (Fapohunda, 2013). By this, employees’ skills and experience were likely to evolve and grow overtime making them want to put more effort and responsibility into the
tasks that they perform. Apart from that, teamwork not only creates more trust and support among colleagues but also increases diversity and inclusion within the organisation (Fapohunda, 2013). Apart from facilitating the team in discovering more innovative and creative ways in dealing with issues, teambuilding also fosters the interaction between members, therefore minimising in-group/out-group concepts. As a result, teambuilding has become increasingly significant in workplaces where employees were being encouraged to share their knowledge, ideas and skills in order to create organisational knowledge. This idea can be reflected from below statement given by (M1FB1):

*Many of them were capable and had high potential but their behaviours did not align with what our bank wanted them to be especially helping, cooperating, and sharing ideas with each other.*

More importantly, when employees work in partnership with others, their relationship and reciprocal feelings are developed which, in turn, ties them to their team (Fernández-Aráoz & Vasudeva, 2016). This relationship created an attractive work environment that induced employees’ motivation and satisfaction. On some occasions, they had to ask for assistance from their colleagues, especially, when dealing with tasks that they were not masters with. This might prompt their ideas that they not only worked collectively but would be compensated for collectively, so team building provided opportunities for them to use all of their strengths to create the highest potential for teamwork effectiveness in their organisations. The boundary of teambuilding could be expanded outside the work context which meant it could be created based on various situations. Employees could be brought together to strengthen their relationship via office lunch, sport and other activities. Hence, teaching employees to feel like they are being part of a team can increase their psychological contract that acts as the bond in magnetising them to their workplaces (Fernández-Aráoz & Vasudeva, 2016).

- **The application of religious beliefs**

  Finally, participant (M4FB3) dug up a pioneer and exciting concept that was associated with the Buddhist laws. To create unique workplace culture, this bank coined a specific word and attached it to employees’ names as well as integrated the religion beliefs into their corporate culture. It was explained that every individual employee in this bank was called ‘master’ instead of her/his title. Because ‘master’ referred to a person who is knowledgeable, capable and skilful, the bank has used it to praise and represent their perception and attitude towards its workers. This type of praise could intrinsically motivate employees to be energised and willing to go beyond their limitation. If employees are being treated with respect and
dignity, their satisfaction and loyalty are likely to increase overtime (CSD staff, 2018). This implies that praise was one of the most effective strategies in squeezing the best from employees. As a result, this bank tried to underpin the idea of how valuable their workers were by praising them in order to embed the sense of belonging and to intrinsically motivate them.

Organisational citizenship behaviour and intrinsic motivation are meaningful control mechanism to increase self-determination and realign individual’s goals with organisation’s goals (Bergeron, Shipp, Rosen, & Furst, 2013). Furthermore, religious beliefs and Lao custom were integrated into bank FB3’s HR practices by teaching its workers to follow Buddhist teaching. This meant that before any meeting begins, all attendants needed to show respect to their parents by ‘Nop’ – a word that is in the Lao language, meaning putting hands together in a prayer-like manner for greeting, showing respect to senior people, sacred places and religious figures like monks, nuns and Buddha images – for 10 seconds.

Participant (M4FB3) elaborated this idea that since their parents have invested a lot in their children, such as giving birth and sending them to school to be educated, before they became who they are today, those parents should be worshipped. Reflecting on this, it could be inferred that workers in this bank were taught to honour and worship not only their parents but the bank itself too. The bank and parents were identical in this scenario because while these workers’ real lives were casted by their parents, their career life was being given to them by the bank. Hence, if the opportunity and goodness given by the bank were perceived by its workers, the reciprocal feeling and behaviour among those workers could increase as well as their intention to stay at the bank.

Please explain how the use of technology influences the reduction of the number of workers in your organisation?

All participants from the three foreign-owned banks participating in this research thesis are inclined to have the same direction in regards to workforce downsizing at their banks caused by technological usage. They agree that the adoption of information technology in the banking sector in Laos has been facing various barriers causing human workers to be still worthwhile. This led to the development of one theme namely, human capital.

• Human capital

One effective way to fasten employees to their organisations was to influence their psychology by making them feel that they were important and add value. This can reflect through the concept of human capital which means that employees’ knowledge, skills and abilities are highly valued and have meaning to the organisations (Crook, Todd, Combs,
Woehr, & Ketchen, 2011). These authors explained that various specialties brought by employees like education, knowledge, skills and experiences were the main parts that form organisation’s engines. If those parts were well maintained, then they were likely to function and bring benefits to organisations in the long run. This meant human capital plays a major part in organisations’ performance, its sustainable development and growth (Crook et al., 2011). This is because human capital was difficult to replicate, it could be developed and has the ability to adapt to unstable business environment than automations, so it could create massive competitive advantages to the organisations. Furthermore, if employees could perceive that their contribution was being valued, recognised and more appreciated than the machine, their sense of satisfaction was likely to increase.

In the Lao context where clients prefer to be served rather than serving themselves, human capital has become highly valued especially in service sector like banking. Two significant issues that have held back the application of advanced technology in banking activities in Laos, included the poor comprehension of users in understanding how to use this technology and government regulations regarding document storage and distribution. Firstly, the majority of customers have ingrained beliefs that digital money tends to carry risks and vulnerability, especially when they are not familiar with the operation processes, so the costs seem to outweigh the benefits (The World Bank, n.d.-a). Moreover, the author adds that customers’ personal data could be leaked to scammers and/or misused if the banks did not store it properly so consumers have strong resistance in shifting their banking habits. Secondly, most public sectors in Laos processed and archived document through old school ways meaning that physical or hard copy form of a document was preferred. It is evident that the Ministry of Science and Technology in Laos just signed MoU in late June 2018 with a foreign company to develop a digital platform called ‘Blockchain’ with intentions to try to move the Lao public sector to E-governance (J & C Services, 2018). This has clearly reflected on the low involvement of innovation technology in public services in Laos. As a result, not all activities could be completed through digital channels so the adoption of a modern IT system has yet to evolve. Hence, human workers and human capital still outshine automations in the banking sector in Laos.

To sum up, various corporate cultures were practiced in order to harness workers to foreign-owned banks FB1, FB2 and FB3. Firstly, the use of flexible work arrangements was integrated to reduce stress and increase work-life for their workers. Secondly, team building was promoted to ensure that all workers can make a contribution to their workplace, use their knowledge, skills and capabilities as well as strengthen their relationship. Thirdly, the
application of religious beliefs was included to remind workers about the importance of both their parents and the bank. Finally, the idea of human capital was implemented to signal that human workers are still highly valued and are more important than automation.

5.2.8. Sub-research question eight

What components of organisational culture motivate talented employees to stay at locally-owned banks LB1 and LB2?

Participants from both locally-owned banks participating in this research thesis described how banks’ uniforms and communication channels can influence workers’ perceptions and attitudes as well as harness them to the organisations. Answers were categorised into two themes which were work attire and workplace communication.

- **Work attire**

  The first finding shined the light on work attire which seemed to be an obvious symbol under corporate culture that well distinguished one organisation from the others. Dress code usually appears on top of the list when mentioning workplace culture and have apparently impacted on several aspects like employee professionalism and organisational reputation (Karl, Hall, & Peluchette, 2013). It is maintained that dress code has a substantial impact on workers’ self-perceptions of “creativity, productivity, trustworthiness, authoritativeness, friendliness, and competence” (Karl et al., 2013, p. 452). This meant that when workers dressed formally, the levels of their trustworthiness and professionalism increased. That, in turn, helped improve the firm’s reputation and its ability in attracting customers and employees alike. Participants (M5LB1), (M6LB2) and (M7LB2) agreed that trustworthiness was vital for the bank staff because it could help attract, retain and create loyalty from customers and, at the same time, reinforced the bank image and reputation. Because of this, the banks provided their workers with the bank uniform to differentiate them from the other banks as well as to reflect their identity and status. Business attire is not only limited to workers’ self-perception but also on their performance and moods (Howlett, Pine, Orakçıoğlu, & Fletcher, 2013). As a result, workplaces that used out of date or inappropriate formal dress, have higher levels of absenteeism, as well as a lack of ability in attracting and retaining workers. This is because clothing can reflect various dimensions of wearers like credibility, intelligence, honesty and reliability so impacting on how staff are perceived and judged by others (Howlett et al., 2013). Therefore, work attire plays a crucial role in creating the first impression because the way customers form their perceptions and attitudes towards worker’s rests heavily on their dress code as it is said you are what you wear (Karl et al., 2013).
In Lao society where materialism was highly regarded, work attire tended to be very significant because of its visual nature. For instance, clothes should be ironed, no jeans worn at the workplace, shirts should be tucked and women have to wear Lao skirts only (Specifically at all public sectors and most locally owned and state owned premises), to name a few. This led to most workers paying high attention on their work attire, meaning that it has to be compatible with their status in both work and non-work settings. Compared to neighbouring countries of Laos where their work attire is highly influenced by western styles, workers in Laos, especially female, have continued following their traditional dress code. Women workers are required to wear Lao skirts or ‘Sinh’ — in the Lao language — in which each pattern or style is unique to that respected organisation and is regulated by female leaders in high positions only. For male workers, the majority of work attire is contemporary styles following western dress code except jeans.

- **Workplace communication**

Another culture raised by participants from locally-owned banks was workplace communication. A participant from the first locally-owned bank in this research cited an internal communication platform like Facebook, Line and WhatsApp in enhancing network building among staff and solving work-related problems within the bank. Adopting strategic internal communication mechanism can glue individuals together, bridge the gap that prevents the flow of useful information within the company as well as keep workers motivated and engaged (Mallett-Hamer, 2005). Workplace communication plays two significant roles in dispersing information among workers and developing citizenship behaviour within workplaces. Consequently, both task and relational conducts among workers are likely to be improved (Karanges, Johnston, Beatson, & Lings, 2015). This implies that formal channels of communication in workplaces have direct impact on the level of engagement and loyalty of workers because of its impact on leader-subordinate interaction. As Karanges et al. (2015) state, a sense of community within the organisation can be reflected through the interaction among workers, their supervisors and organisations. Moreover, informants from the second locally-owned bank mentioned that in-house communication helps cohesion among workers in their bank. Given that all signs, postures and gestures used within a workplace carry specific meanings that can be perceived and understood among its members so that to direct them in the same goal direction. As a result, effective workplace communication helps reduce conflict among workers so improve workflow and employees’ satisfaction (Bonaccio, O’Reilly, O’Sullivan, & Chiocchio, 2016).
More importantly, workplace communication needs to be well established especially in a cross-cultural context because it can ruin social functioning within organisations. This is because a culturally diverse organisation can be exposed to various barriers caused by factors such as communication barriers, discrimination and stereotyping. This indicates that effective workplace communication is likely to improve trust and morality of workers towards their workplaces so that to strengthen their commitment and loyalty.

- Please explain how the use of technology influences the reduction of the number of workers in your organisation?

All participants from locally-owned banks accepted that the involvement of modern technology in the banking sector in Laos has not yet been exposed any threat on human workers even though the likelihood of its usage was on the upward trend. Answers were synthesised into one theme which was technological involvement.

- **Technological involvement**

  The fast pace of technological development makes innovative technology become crucial in high competitive business environment. Besides traditional motivation and retention constructs like high salary, training and company uniform; employees need advanced technology to support them. Information technology has a substantial impact on the way that employees perform their jobs so it has been used to facilitate employees and is included in HR management (Stone, Deadrick, Lukaszewski, & Johnson, 2015). Given that the involvement of information technology not only helps workers complete their tasks faster, it also innovates alternative options and helps find more accurate solutions as well. For example, instead of travelling for several hours for a meeting, employees can participate via virtual call. This reflects another side of flexible work arrangement that helps increase workers’ productivity and satisfaction. According to participants from locally-owned banks taking part in this research thesis, most advanced IT related training courses were usually executed overseas. This portrays that these banks are unskeptical towards a large investment in this area and are interested in investing in their human capital through training and development programmes. This might be one reason that harnesses workers to their banks because those workers might realise the opportunities in their career advancement.

  However, the level of acceptance among consumers towards some banking technology remains low. Part of the issue is that the majority of consumers are embedded with traditional habits in processing banking and other financial activities. These notions are clearly pinpointed by Australian Aid (2015) which states that “despite the advantages offered by financial services
and electronic payment systems, in Lao PDR, cash remains the norm for holding, transacting and transferring funds” (p. 1). This is because the internet banking and digital payment in Laos comes with expensive charges and fees compared to its neighbouring countries, making it unpopular among its main customers (Australian Aid, 2015). Additionally, the levels of understanding of customers on the banking technology is considerably low making them avoid rocking the boat and going beyond their comfort zone.

Cyber-attacks and other security issues are among the main obstacles that prevent most bank customers in Laos to fully accept digital financial services (Asia News Network, 2018). This reflects that digital payment system has yet to be well-developed making the availability of ATMs, internet banking and EFTPOS devices to be restricted and are mainly presented to some of the large businesses in the capital city Vientiane and provincial capitals only (Australian Aid, 2015). The nature of the modern workplace, as aforementioned in the first sentence in this paragraph, usually involves digital technology to maximise cost savings and automate work processes. The technological driven era not only alters the likelihood of some jobs being performed by people or performed differently but covertly forces workers to embrace it. Hence, technological involvement can bring a vast potential of skills to workers like exposing to different ways of performing tasks, improving performance and casting future career development, to name a few.

To conclude, locally-owned banks LB1 and LB2 integrated different constructs into their organisational culture. Firstly, work attire was used to reflect traditional culture, especially female dress code, as well as to stand them out from members of other organisations. Secondly, workplace communication was executed to enrich communication channels, facilitate work processes and direct workers to the same direction. Finally, technology was brought into use to increase work effectiveness as well as prepare for the banks’ future growth.

5.3. Chapter summary

The findings in chapter four were discussed and critically analysed in this chapter. The discussion was based primarily on themes emerging from eight sub-research questions and eight supplement questions to answer the main research question: “How do banks FB1, FB2, FB3, LB1 and LB2 retain their talented employees?”. The related literature from chapter two and other bodies of knowledge have been applied to indicate any consistencies, distinctiveness or differences in the findings from those found by other research. The next chapter, chapter six, provides conclusions and recommendations on the key findings as well as
points out any limitations and future research directions based on the topics researched for this thesis.
Chapter Six: Conclusion and recommendations

6.1. Introduction

Chapter six summarises the research results stemmed from the research question “How banks in Laos retain their talented employees?”. The first section of this chapter briefly encapsulates the key findings from chapter four and discussion from chapter five to fulfil the research questions and objectives in this research thesis. Next, recommendations from the researcher based on the research findings are presented. A shift to strengths and limitations of this research are made in the later part to highlight the contributions and weaknesses of this research regarding the topics studied. Finally, future research opportunities in regards to staff retention strategies implemented by the banking sector in Laos and a closing statement are provided.

6.2. Research conclusion

The aim of this research thesis was to probe staff retention strategies implemented by banks FB1, FB2, FB3, LB1 and LB2 in Laos to retain talented employees. To achieve this aim, a qualitative research approach was used in which semi-structure interviews were conducted as the main technique in data collection. Data was collected from the participating banks and categorised into two groups. These included four participants from three foreign-owned banks and three other participants from two locally-owned banks. Data was analysed using thematic analysis through coding and memoing techniques. Themes and a discussion of the findings were then outlined in accordance with eight sub-research questions and objectives as presented below.

6.2.1. Sub-research question one

What staff retention strategies are implemented by foreign-owned banks FB1, FB2 and FB3 in Laos?

This question fell firmly on the first research objective in this research thesis which was: ‘To investigate how foreign-owned banks FB1, FB2 and FB3 retain their talented employees’.

There were two major areas given by participants from foreign-owned banks FB1, FB2 and FB3 in regards to staff retention strategies, namely the roles of HR and line managers and job security. Participants from banks FB1 and FB2 mentioned that even though most HR
activities were under direct control of the HR managers, the contribution from line managers was vital due to their close contact with staff in operational level. Sikora and Ferris (2014) explain that retention mechanisms designed by HR professionals could become meaningless if they were deliberately altered or inappropriately implemented by the end users like line managers. This illustrated the significant roles played by those company’s representatives in which both parties should exchange useful information, work collaboratively and support each other to increase the likelihood of staff retention (Op de Beeck et al., 2018). Besides, job security was another concept that participants from banks FB1 and FB3 tried to embed in their employees. The hidden ideas behind this notion was that if employees can perceive that their career life was steady and secured, their positive feelings and behaviours tend to develop (Dugguh & Dennis, 2014). As a result, employees can be worry-free about losing their jobs and struggling in finding new careers that could present other significant issues to their lives such as unemployment, a lack of secured income sources and job relocation. This implies that job security was used to fuel energy, effort and long-term commitment from workers (Dugguh & Dennis, 2014).

6.2.2. Sub-research question two

What staff retention strategies are implemented by locally-owned banks LB1 and LB2 in Laos?

The aim of this question was to craft the answer for objective two namely: ‘To investigate how locally-owned banks LB1 and LB2 retain their talented employees’.

Some ideas touched by all participants from locally-owned banks LB1 and LB2 highlighted the concept of psychological contract. Hui et al. (2004) explain this notion as the beliefs and obligations that were unconsciously embedded in workers’ attitudes and catalysed the development of their exchange behaviours, long-term interests and commitment towards the organisations. These participants, whose positions are HR and Training and Development managers, tried their best to influence the psychological contract of their subordinates by acknowledging the added value that these workers have contributed to their banks, as well as providing potential workers with a faster cycle for their career development. When workers were being valued and cared for by their organisations, it tended to trigger their thoughts that they owed and were obligated to perform well in their organisations which, in turn, positively impacted on their intention to stay (Clinton & Guest, 2014).
6.2.3. Sub-research question three

What components of the remuneration packages are effective in retaining talented staff at foreign-owned banks FB1, FB2 and FB3?

This question was raised to fulfil objective three, specifically: ‘To determine what remuneration and benefit packages are more effective in retaining talented staff at foreign-owned banks FB1, FB2 and FB3 – financial rewards or non-financial rewards or both’.

All interviewees from foreign-owned banks were of the same view that remuneration packages provided by the banks need to reflect both monetary and non-monetary dimensions in order to effectively harness existing employees.

- Please explain why you think both financial and non-financial rewards are significant to sustain talent?

A good workplace relationship was the first component cited by interviewees from foreign-owned banks FB1 and FB2, that helped strengthen the mutual trust among workers and create an attractive work place atmosphere within the banks. This relationship could lead to the support that workers gain from their leaders and peers to undertake important roles that have a significant impact on their progression, citizenship behaviour and psychological contract (Dewhurst et al., 2009; Northouse, 2015). The next component pointed out by interviewees from banks FB2 and FB3 was demographic change. This pinpointed the notion that the decision of the workers to stay or leave was affected by both their work and non-work circumstances such as opportunities to grow, being familiar with their tasks, getting married and having children. Therefore, Bieling et al. (2015) suggest, when designing HR practices, various constructs need to be covered like age diversity and stereotypes of each work cohort.

- Please specify some forms of financial and non-financial rewards that are significant in sustaining talent in the bank you work at?

Interviewees from all banks cited that remuneration and benefit packages were some of the foremost reasons that help keep individuals to continue their career. Terera and Ngirande (2014) are of the view that compensation not only fulfils financial and material desires for workers but also reflects the level of their education, skills, capability and status in both work and non-work settings. As a result, compensation has become so vital in staff retention especially in a materialistic-driven country like Laos where individuals are likely to be influenced by their reputation and wealth. Other than this, career development was quoted by all interviewees which meant that employees were also serious about thriving and growing in
their professional careers. This is because, according to Weng and McElroy (2012), career development provides employees with the opportunities like increased or higher levels of pay, promotion and progression.

6.2.4. Sub-research question four

**What components of the remuneration packages are effective in retaining talented staff at locally-owned banks LB1 and LB2?**

The aim of this question was to answer objective four, specifically:

*To determine what remuneration and benefit packages are more effective in retaining talented staff at locally-owned banks LB1 and LB2 – financial rewards or non-financial rewards or both.*

Participants from both locally-owned banks emphasised that the right combination between financial and non-financial rewards can optimise the employee’s intention to stay with their employer. This implies that both types of reward schemes were influential in staff retention at locally-owned banks LB1 and LB2.

- Please explain why you think both financial and non-financial rewards are significant to sustain talent?

All participants from locally-owned banks LB1 and LB2 concluded that unlike the various advantages linked to financial and non-financial rewards, their primary functions were seemingly uniformity which was to increase employee motivation. Motivated employees were likely to perform to their highest potential and stay longer than those who were demotivated (Sandhya & Kumar, 2011). Both extrinsic and intrinsic motivations were sourced either from financial or non-financial constructs and had a direct impact on the level of effort and satisfaction of employees. Financial rewards, however, were believed to produce immediate results but were short-term oriented. Whereas non-financial rewards could trigger sustainable or long-term results (Terera & Ngirande, 2014). Dewhurst et al. (2009) affirm that this could lead to non-financial rewards being realised by employees but needs to be fairly applied by line managers to those employees who are deserving of it, together with financial rewards.

- Please specify some forms of financial and non-financial rewards that are significant in sustaining talent in the bank you work at?

Two respondents from bank LB2 highlighted that the lead market pay structure tends to be one important factor that retain employees to their banks. When employers offer their talented workers the lead market pay structure, this not only fuels the level of satisfaction and
performance of talented employees but also increases the supply of a talent pool and mitigates the turnover rate (Society for Human Resource Management, 2018). Pay level was one of many significant reasons that influenced individuals to take on a job and increase their performance (Osibanjo et al., 2014). Moreover, Terera and Ngirande (2014) describe how high pay could facilitate the financial power of employees as well as reflect on their wealth, reputation and status in both work context and general society. This, as a result, has become one of the most significant constructs in employee retention especially in Lao society where individuals are overwhelmed by materialism. Promotion was the second key point that respondents from banks LB1 and LB2 mentioned because of its ability in enhancing the vertical mobility of employees. Bognanno and Melero (2016) maintain that promotion helped employees in exposing to broader responsibilities and higher compensation as well as providing chances in nurturing their task and leadership skills. At the same time, promotion is a way of rewarding employees and marks the success of the star performers (Gul et al., 2012).

6.2.5. Sub-research question five

**What components of job satisfaction are effective in retaining talent at foreign-owned banks FB1, FB2 and FB3?**

This question corresponded with objective five that was:

*To determine what aspects of career satisfaction are effective in retaining talented staff at foreign-owned banks FB1, FB2 and FB3*.

Three interviewees from foreign-owned banks FB1, FB2 and FB3 brought into light equal pay which has a direct influence on employees’ feelings about their organisations. Inequality and a lack of transparency in employees’ pay can mitigate their morality and satisfaction as well as exhibit the existence of some unethical behaviours like gender bias and in-group/out-group practices within the organisations (Lips, 2013; Sandhya & Kumar, 2011). If employees perceived that they were rewarded inappropriately or lower than their peers who work in the same positions, the level of their effort and commitment can be negatively impacted. This, according to Lips (2013), implies that workers should be rewarded equally and should be based on their inputs rather than age, gender or sexual orientation. Employee involvement in career design and in dealing with problems was another feature covered by three interviewees from banks FB1 and FB2 who believed that this practice can help ignite reciprocal feelings and behaviours among workers. Dewhurst et al. (2009) highlight that getting employees involved in operations within their skills discipline and decision making processes, enabled them to grow their work-related competencies and management skills. This increased the likelihood of their
career advancement. More importantly, if employees perceived that their contributions were being valued and that their ideas were part of the answers to problem solving, their citizenship behaviour was likely to be further developed (Ceniza-Levine, 2015; Terera & Ngitande, 2014).

- **Please provide some examples about talent-related training conducted by your bank?**

  It was clarified by all interviewees that training and development programmes were provided to increase the capability of employees in handling a broad array of responsibilities which pinpointed the concept of job enrichment. According to Sharma (2016), an enriched job provided opportunities for employees to escape from monotony, boredom and repetitive tasks meaning that employees’ responsibilities were both vertically and horizontally expanded. More importantly, job enrichment was the stepping stone for knowledge and skills expansion which facilitated promotion and career advancement of employees (Duffield et al., 2014).

6.2.6. **Sub-research question six**

**What components of job satisfaction are effective in retaining talent at locally-owned banks LB1 and LB2?**

This question helped achieve objective six which was:

*‘To determine what aspects of career satisfaction are effective in retaining talented staff at locally-owned banks LB1 and LB2’.*

Responses given by all participants from locally-owned banks LB1 and LB2 was directed at training and development that helped pave the way for both personal and professional development of employees. Simply put, training and development programmes not only augment employees’ knowledge, skills and capabilities but they also embed employees' feelings of how the organisations are willing to invest in them (Jehanzeb & Bashir, 2013). Having said that, most of these programmes need to be compatible with the strategic development plans of organisations so that the knowledge learnt can be translated into organisational resources (Tahir et al., 2014). Supportive leadership was another idea cited by all participants apart from training and development. The supportive behaviour of leaders helped maintain or even increase the leader-subordinate relationship because it helps subordinates openly collaborate and securely share information and opinions with their leaders. It also created a meaningful work atmosphere and optimised chances for employees to be delegated significant tasks and roles (Oostlander et al., 2014). Hence, Dewhurst et al. (2009) believe that employees tend to maximise their best potential when a supportive leadership style was practiced in their organisations.
Please provide some examples about talent-related training conducted by your bank?

Job enlargement was one substantial advantage with their training and development programmes, according to all participants’ points of view. The key idea anchored within enlarged jobs was a myriad of responsibilities that employees can use to broaden and develop their knowledge, skills and capabilities. This means that employees’ responsibilities were expanded horizontally so increased their likelihood of being exposed to more exciting and challenging tasks which, in turn, keeps them engaged and committed (Zareen et al., 2013). However, these authors add that some employees were likely to resist job enlargement due to a lack of confidence in their capabilities and to avoid being overwhelmed by extra tasks.

6.2.7. Sub-research question seven

What components of organisational culture motivate talented employees to stay at foreign-owned banks FB1, FB2 and FB3?

The findings resulting from this question concerned research objective seven: ‘To determine what aspects of organisational culture are important in motivating talented employees to stay at foreign-owned banks FB1, FB2 and FB3’.

Participants from foreign-owned banks FB1 and FB2 uncovered flexible work arrangements. These included work time and work place which could be organised, based on the agreement of employers and employees that best suited both of them (Employment New Zealand, n.d.). This meant that workers could be more agile between their work and non-work commitments so that their role conflict could be mitigated and work-life balance could be improved. Thompson et al. (2015) believe that flexible work arrangements could enlarge the sense of autonomy to workers and reflect how they were being cared for by their employers. The second key aspect asserted by all respondents from banks FB1, FB2 and FB3 was team building that allowed workers to put their strengths together. Fapohunda (2013) notes that team building enabled all workers to make contributions and share their ideas. This enables their competencies and skills to be evolved overtime, resulting in the emergence of more innovative and creative ways in dealing with issues. Other than this, it enhanced diversity and inclusion within the team, therefore, mitigated in-group/out-group practices and strengthened relationships among workers (Fapohunda, 2013). As a result, team building has been tied up with organisational culture and is increasingly involved in modern workplaces.

Finally, the application of religious beliefs was mentioned by a respondent from bank FB3 in which this bank has integrated the Buddhist laws into its HR practices to shape workers’ morality. Some workers were called ‘Master’ which referred to individuals who have high
knowledge and capability in order to praise and increase their sense of belonging and satisfaction. Besides that, workers were taught to worship and respect those who have an influence on both of their personal and professional lives as well as helped them to become who they are today. This implies that workers should not only respect their parents, who support their education, but also the bank, where their career lives exist and are further developed.

- Please explain how the use of technology influences the reduction of the number of workers in your organisation?

This additional question led to the occurrence of human capital which sparked the notion that human knowledge, skills and abilities are important and are highly valued by the banks (Crook et al., 2011). These authors clarify that these specialties possessed by workers were the main engines that escalated the banks forward, improved their performance and sustainable growth. This, as a result, made information technology be overshadowed by human capital especially in the service sector like banking. Hence, when workers can perceive that they were being valued by their organisations, their sense of satisfaction and intention to stay were likely to increase.

6.2.8. Sub-research question eight

What components of organisational culture motivate talented employees to stay at locally-owned banks LB1 and LB2?

This question yielded the answer for research objective eight namely:

‘To determine what aspects of organisational culture are important in motivating talented employees to stay at locally-owned bank LB1 and LB2’.

Work attire was the first component mentioned by all participants from locally-owned banks LB1 and LB2. Karl et al. (2013) claim that dress code not only differentiated workers of one organisation from the others but also had influences on other aspects like creativity, reliability, friendliness and trustworthiness of the workers which, in turn, had a direct impact on workers’ self-perception. This implies that dress code played a vital role in creating the first impression to workers as well as their identity and reputation which was considered to be a quality that workers should have (Howlett et al., 2013). This is because bankers need to have appropriate characteristics and appearances to build trust and confidence with customers. Therefore, work attire was seemingly able to fulfil that gap. Workplace communication was another important feature under corporate culture cited by all participants. Effective workplace communication enhanced dispersion of useful information within the organisation, influenced
interpersonal communication and mitigated workplace conflicts (Mallett-Hamer, 2005). This, according to Karanges et al. (2015), means it helped maintain the relationship among workers as well as allowed work-related issues to be solved in a timely manner. Hence, these banks have included various modern internal-communication channels like Facebook and Line to support the connection of their workers and facilitate their work processes.

- Please explain how the use of technology influences the reduction of the number of workers in your organisation?

Technological involvement has been shown to be crucial in various banking activities even though its usage has yet to impact on applicants at banks LB1 and LB2 in this project and many other banks in the financial sector, according to the participants’ answers. This can reflect through the responses given by participant (M5LB1) that only self-withdrawal through automated teller machine (ATM) is available at his bank but not self-deposit services. He added that, in Laos, only a few banks have provided cash deposit machines (CDMs) which are stand-alone machines and do not include ATM functions in them like those available in developed countries. However, according to Stone et al. (2015), information technology has become crucial in supporting and simplifying workers’ work processes, implying that workers need to have some sort of modern technology to help them. This notion is in line with participant (M6LB2) who is the head of the HR department at bank LB2. He stated that future hiring might be more restricted at his bank because technology has appeared to change the landscape of working as well as its potential involvement in partly and even completely replacing some tasks. For instance, tasks like queueing and directing customers to correct service units that used to be performed by employees are now replaced by automated machines even though help is still available to unfamiliar users. As (Ortiz (2018)) maintains, some cutting edge technology like artificial intelligence (AI) already outsmarts humans, making its integration in modern workplaces on the upward trend and is believed to be the way of the future.

6.3. Recommendations

Some recommendations are provided below to guide the banking sector in Laos regarding employee retention in this sector.

6.3.1. Recommendation one – Use line managers for employee development and career planning –

This means that line managers should take charge of observing their subordinates’ characteristics and/or have face-to-face conversation with them periodically regarding their
career prospects to unearth key information from them. This tactic enhances employees to discuss priority areas related to their jobs, such as what positions they want in the next few years, or what training courses they want to participate in. This enables useful information to be uncovered especially from promising employees and this information should be delivered to HR managers in order for it to be considered for further action if needed. With this information in hand, HR managers can design HR practices that are more likely to reflect the priority of potential employees. Even though two foreign-owned banks in this research have followed this strategy, only one HR manager gave concrete evidence about how an employee development programme would be designed. By implementing this approach, it paves a clear pathway for HR practitioners from other banks, if needed, to integrate and apply this approach into their HR staff development practices.

6.3.2. Recommendation two – Reinforce psychological contract with employees –

This can be achieved through a myriad of strategies like giving their employees a sense of job security through career development opportunities to increase their perceptions that the banks care for them and are interested to invest in them. With that in mind, employees might feel that they are an important asset of the bank and that their reciprocal feelings and behaviours increase. This means that the success of organisations to provide jobs and economic opportunities to employees can motivate the employees to perform extraordinary things so that their organisations benefits. Apart from that, employee involvement and empowerment are other important aspects that can rectify employees’ psychological contract. That means the banks should not only value top-down strategies but bottom-up as well by integrating more of employees’ contributions and ideas into both operational and decision making processes.

6.3.3. Recommendation three – Strengthen workplace relationship –

Workplace relationships can be maintained through rapport and supportive behaviour from peers and leaders. Not only should workers respect their colleagues’ ideas but leaders should also demonstrate their supportive behaviour towards their subordinates in order to build mutual trust. On the same token, the banks should adopt some effective in-house communication platforms to facilitate the likelihood of their employees’ connection and communication. Through this, a borderless communication can result which, in turn, creates a sense of belonging and interconnectedness among workers in both work and non-work contexts. More importantly, banks should encourage team building and assist the behaviours of workers to augment their work-related competencies, interpersonal skills and rapport with
other workers and their managers. In this research, only the minority of participants mentioned that leaders should initially approach and have regular conversation with their subordinates to minimise status and remove hierarchical structures as well as encourage the exchange of information between the two parties. This implies that leaders are sometimes required to step back and show their genuine willpower to interact with all of their followers through both verbal and non-verbal engagements in order to influence and strengthen leader-subordinate relationships and build meaningful workplaces.

6.3.4. Recommendation four – Reduce/close pay gap –

Employees should be rewarded based on their input rather than other factors like age, genders, personality, or sexual orientation. Any pay gap should be minimised/eradicated to ensure that employees who generate the same level of performance and who work in the same positions are entitled to the same pay. To accomplish this, the banks should execute staff performance reviews at least twice a year to ensure that their pre-set goals have been achieved or are on target to achieve them or be adjusted either up or down due to environmental influences. Therefore, only one performance measurement a year might not be accurate to fully reflect a staff members’ achievement. Moreover, the banks in this research are encouraged to use all-round performance reviews in which not only workers’ performance should be taken into consideration but other attributes, like positive work attitudes and behaviours as well. This information allows the banks to adjust the pay gap, compensation and promotion of their workers. Similar to some previous recommendations concerning workplace relationship, only one participant explicitly talked about and went deep into the “elephant in the room” regarding reducing/closing the pay gap. From this, it can be inferred that this issue might not be attentively dealt with among other banks in this research. Therefore, it is time for them to seriously take this issue into their agenda in order to create justice and fairness within their workplaces regarding the pay gap.

6.3.5. Recommendation five – Support training, development and education of workers –

Workers often view training and development programs as the means that allow them to broaden their knowledge, skills and competencies. Given that workers often look for opportunities to develop their competencies in order to create milestones that mark their personal and professional success. As a result, the banks should provide not only training and development programs to their staff but facilitate them in continuing their employees’
education as well. This means that employees should be given educational leave should they wish to pursue their study either in a domestic or international setting. Study loans or grants should be available from the banks to support employees who face financial difficulty but want to improve their knowledge. For foreign-owned banks, the idea of secondment or the opportunities for workers to temporarily work in other overseas branches, should be provided to motivate and enhance workers’ capability, skills and experience as well as for future higher promotion. This strategy also enables workers to learn about new social and business cultures as well as new languages whilst working and living abroad.

6.3.6. Recommendation six – Apply flexible work arrangement –

Employees should be given a wide variety of choices of how they conduct their work. This implies that work locations and working times should be implemented to best suit both employees and employers. Through the application of contemporary information technology, some staff can work instantly or their work schedules can be more flexible in order to minimise the levels of their stress as well as maximise their productivity, motivation, engagement and satisfaction. This is because each individual has various commitments and responsibilities where flexible work schedules could make them meet all the needs in their personal and professional lives, therefore enhancing their work life balance. Unlike banks in some western countries, flexible work arrangement is exotic to local Lao banks and even some foreign-owned banks whose headquarters are in Asia. Thus, this creates a greater challenge for these banks to go out of their boxes and embrace these new practices which if implemented fairly, should bring huge advantages to both banks and workers alike, especially dual-career couples.

6.4. Strengths and limitations

6.4.1. Strength of this research thesis

Firstly, even though several studies have been undertaken in the HRM field, only a limited number of those studies have focused on strategies or constructs being significant for employee retention in the banking sector in Laos. The majority of them have dealt with issues like employee recruitment, motivation, service quality improvement and leadership styles. This leaves a huge gap in the literature which is where this study can contribute and help propagate a new body of knowledge under this topic. This research has uncovered factors and strategies, in both financial and non-financial forms, that are significant for retaining talent and preventing staff turnover in the banking sector in Laos.
Secondly, a strength that this research thesis provides is the quality of the sources of data collected from the participants. Five out of seven participants whom the data was being collected from are HR managers, whereas the other two participants are training and development and branch managers respectively. All of these participants are armed with plentiful experience and have nurtured their expertise in HR activities in the banking sector in Laos for more than ten years, implying that their insight into the topics studied is sophisticated. More importantly, three participants pursued their tertiary HRM study overseas – one in Thailand and the other two in Australia – enabling them to apply their knowledge learnt into real life practices.

Finally, this research tends to be a useful empirical framework or case study for HR professionals in the banking sector in Laos. The integration of practical and theoretical strategies used by both locally-owned and foreign-owned banks has been included in this research thesis, as was concluded under sections 6.2.1 through to 6.2.8 above. This creates opportunities for HR specialists from locally-owned banks to learn, scrutinise, reflect and apply those strategies being practiced at the foreign-owned banks and for HR specialists from foreign-owned banks to do similar.

6.4.2. Limitations of this research thesis

There appears to be some limitations in this research thesis which are: a small number of the research participants was used and the uniformity of participants’ professional backgrounds. The first limitation concerns the numbers of individuals participating in this research thesis which had only seven participants. This number is considerably low and it might mitigate the validity of the research results or prevent the generalisability of this research thesis with other similar cases or scenarios. However, the researcher decided not to recruit more participants because of the time constraints and limited resources available.

Another limitation is likely to be the uniformity of the participants’ work background or work nature. All of the research participants are HR managers, training and development manager and branch manager, who are likely to view the topic researched from their lens only. The research might, however, have discovered different ideas or viewpoints if the research had included a combination of non-managerial employees from both operational, non-managerial as well as those in managerial positions. This is because those non-managerial employees might generate different sets of norms, values and beliefs towards the topic researched because they view the same issues from different angles.
6.5. Future research opportunities

This research leaves a number of areas where other researchers can propagate their potential research from. Firstly, the number of participants and target sample groups should be increased so that to strengthen the validity of the research findings. That is to say, the research should recruit as many participants as possible to minimise the issues of research validity. On the same token, the participants should cover employees from different work groups, both managerial and non-managerial positions, to avoid biased and fully reflect employees’ perceptions from a wide variety of expertise.

Another suggestion, that links back to the previous point, is the application of alternative research approaches. Quantitative and/or mixed research approaches are suggested to be employed in future research especially if the scope of the research is large. Given that if the number of participants is large and participating banks are located in different parts of the country, the use of questionnaires might be more suitable. This is because questionnaires can be executed online or through the post which helps the researchers save both their time and budgets.

Next, future research should consider banks that are located in other locations rather than focusing on the banks that are in the capital city of Laos only. Employees who work in the banks that operate in the southern or northern parts of the country where geographical locations are different, are more than likely to have different goals, motivations, desires and needs. Therefore, to avoid the concept of one size fits all, future research should expand its boundaries to integrate participants from other locations outside Vientiane as well.

Lastly, future research can be carried out longitudinally to explore the revolution in employee retention trend in the banking sector in Laos. This is because some changes in employees like their ages, as well as the development of business characteristics like technological involvement, may revolutionise how the banks retain their staff. As such, a longitudinal study might help the researchers to better understand both short- and long-term employee retention strategies in the banking sector in Laos.

6.6. Closing statement

This research has demonstrated that a number of constructs under HRM theories have been integrated to retain potential employees at foreign-owned and locally-owned banks participating in this research thesis. Such programs were intensively exploited to ensure that they generate the highest results and anchor star performers to those banks as long as possible.
This is because potential talented employees are the key players in driving those banks toward their goals as well as creating competitive advantage and sustainable growth for them.

To retain potential employees, this study shows that strategies implemented should reflect both monetary and non-monetary dimensions.

In regards to the foreign-owned banks participating in this research thesis, the strategies that are important to them include the roles of HR and line managers and job security of their employees. Components within the remuneration and benefit packages cover compensation, workplace relationship, demographic change and career development. To create career satisfaction for their workers, the foreign-owned banks practice equal pay, employee involvement in dealing with problems and job enrichment. Corporate culture is also applied to create identity to their employees which includes flexible work arrangements, team building, the application of religious beliefs and the importance of knowledge, skills and abilities of human capital.

For locally-owned banks taking part in this research thesis, the psychological contract is used as the overall strategy to harness their best employees by acknowledging their added value, contribution and taking good care of them. Under remuneration and benefit packages, a lead market pay structure is implemented together with motivation and promotion. To maintain the level of job satisfaction of their workers, the locally-owned banks provide training and development, supportive leadership and job enlargement. In order to create a unique organisational culture, the locally-owned banks focus on work attire, workplace communication and technological involvement.

The researcher, in the end, strongly believes that this research thesis can create an effective HRM blueprint for HR practitioners in the banking sector in Laos. A number of significant constructs and strategies were shared by the research participants and revealed in this study, allowing useful knowledge to be distributed and exchanged within the field. As a result, a borderless body of knowledge has been created that enhances opportunities for HR practitioners to learn from their peers who have hands-on experience in the topic. This, as a result, can encourage HR practitioners to build better HRM policies, apply non-traditional HR practices and go beyond their comfort zones in creating retention strategies to anchor their star performers.
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Appendices

Appendix 1: Information Sheets for Participants

Information for participants

Research Project Title
"An exploration of staff retention strategies implemented by the banking sector in Laos to retain talented employees"

Synopsis of project
This project explores question about staff retention within the banking sector in Laos. Five banks are selected as case studies in this project in which three represent foreign-owned and two others represent locally-owned. This procedure enhances opportunity for the researcher to explore both theoretical and practical staff retention techniques from both western and eastern management styles.

What I am doing
(Project detail)
This project is undertaken as part of the requirements for the degree of Master of Business in Unitec Institute of Technology in New Zealand. It aims to investigate various staff retention strategies used by the banking sector in Laos in order to minimize staff turnover and maximize workers’ intention to stay, especially in relation to talented employees.

What it will mean for you
(Detail of what will be involved for participants)
I, as the researcher, would like to interview you in regard to retention practices in your organization which will take around 1 hour. The interview will be held in your office and will be undertaken at a time that would suit you. However, place and time of the interview can be amended based on our agreement.

The interview will be voice recorded and transcribed by me. Information will be translated from Lao to English and the authenticity of the translation will be verified according to UREC protocols. The transcript in both Lao and English will be sent to you for reviewing to ensure that Information you gave is correct and you can amend it to ensure its accuracy if you wish. You have the right to ask me not to use information you wish not to appear in the research.

If you agree to participate, you will be asked to sign a consent form. This does not stop you from changing your mind if you wish to withdraw from the project. However, because of my schedule, any withdrawals must be done within 2 weeks after I have interviewed you.

Your name and information that may identify you will be kept completely confidential. All information collected from you will be stored on a password protected file and only you, the researcher and my supervisors will have access to this information.

Please contact me if you need more information about the project. At any time if you have any concerns about the research project you can contact my supervisor:

My supervisor is Alan Lockyer, phone 815-4321 ext. 8608 or email alockyer@unitec.ac.nz

UREC REGISTRATION NUMBER: 2018-1035
This study has been approved by the UNITEC Research Ethics Committee from 02 July, 2018 to 02 July 2019. If you have any complaints or reservations about the ethical conduct of this research, you may contact the Committee through the UREC Secretary (ph: 09 815-4321 ext 8551). Any issues you raise will be treated in confidence and investigated fully, and you will be informed of the outcome.
Participant Information Form

My name is Chanthasone Southammavong. I am currently enrolled in the Master of Business degree in the Business Practice Pathway at Unitec New Zealand and seek your help in meeting the requirements of research for a Thesis course which forms a substantial part of this degree.

The aim of my project is: to explore staff retention within the banking sector in Laos to retain talented employees.

I request your participation in the following way:
- Participate in a 1-hour interview
- Talk about staff retention in your organization especially in relation to talented employees

Neither you nor your organisation will be identified in the Thesis. The results of the research activity will not be seen by any other person in your organisation without the prior agreement of everyone involved. You are free to ask me not to use any of the information you have given, and you can, if you wish, ask to see the Thesis before it is submitted for examination.

I hope that you find this invitation to be of interest. If you have any queries about this research, you may contact my principal supervisor at Unitec New Zealand.

My supervisor is: Alan Lockyer, phone: 815-4321 ext. 8608 or email: alockyer@unitec.ac.nz

UREC REGISTRATION NUMBER: 2018-1035
This study has been approved by the UNITEC Research Ethics Committee from 02 July, 2018 to 02 July 2019. If you have any complaints or reservations about the ethical conduct of this research, you may contact the Committee through the UREC Secretary (ph: 09 815-4321 ext 8551). Any issues you raise will be treated in confidence and investigated fully, and you will be informed of the outcome.
Appendix 2: Participant Consent Form

Participant Consent Form

Research Project Title:
"An exploration of staff retention strategies implemented by the banking sector in Laos to retain talented employees"

I have had the research project explained to me and I have read and understand the information sheet given to me.

I understand that I don't have to be part of this research project should I choose not to participate and may withdraw at any time prior to the completion of the research project.

I understand that everything I say is confidential and none of the information I give will identify me and that the only persons who will know what I have said will be the researcher and his supervisors. I also understand that all the information that I give will be stored securely on a computer at Unitec for a period of 10 years.

I understand that my discussion with the researcher will be taped and transcribed.

I understand that I can see the finished research document.

I have had time to consider everything and I give my consent to be a part of this project.

Participant Name: ……………………………………………………………………....

Participant Signature: …………………………. Date: ……………………………

Project Researcher: Chanthasone Southammavong Date: ………...

UREC REGISTRATION NUMBER: 2018-1035
This study has been approved by the UNITEC Research Ethics Committee from 02 July 2018 to 02 July 2019. If you have any complaints or reservations about the ethical conduct of this research, you may contact the Committee through the UREC Secretary (ph: 09 815-4321 ext 8551). Any issues you raise will be treated in confidence and investigated fully, and you will be informed of the outcome.
Appendix 3: Organisational Consent

Organisation logo/Masthead (please insert)

Date

To:
Chanthasone Southammavong
31B Cradock Street, Avondale, Auckland, New Zealand

Dear Chanthasone,

Re: Organisational Consent

I (name) (position in organisation) of Bank XYZ give consent for Chanthasone Southammavong to undertake research in this organisation as discussed with the researcher.

This consent is granted subject to the approval of research ethics application 2018-1035 by the Unitec Research Ethics Committee and a copy of the application approval letter being forwarded to the organisation as soon as possible.

Signature:

Date:
Full name of author: Chanthasone Southammavong

ORCID number (Optional): ............................................................

Full title of thesis (‘the work’):
“An exploration of staff retention strategies implemented by the banking sector in Laos to retain talented employees”

Practice Pathway: Business

Degree: Master of Business

Year of presentation: 2019

Principal Supervisor: Alan Lockyer

Associate Supervisor: Maryam Mirzaei

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________________________
Signature of author: …
Date: 04/06/2019
Declaration

Name of candidate: Chanthasone Southammavong

This Thesis entitled: “An exploration of staff retention strategies implemented by the banking sector in Laos to retain talented employees” is submitted in partial fulfillment for the requirements for the Unitec degree of Master of Business.

Principal Supervisor: Alan Lockyer
Associate Supervisor: Maryam Mirzaei

Candidate’s declaration
I confirm that:
• This Thesis represents my own work;
• The contribution of supervisors and others to this work was consistent with the Unitec Regulations and Policies.
• Research for this work has been conducted in accordance with the Unitec Research Ethics Committee Policy and Procedures, and has fulfilled any requirements set for this project by the Unitec Research Ethics Committee.

Research Ethics Committee Approval Number: 2018-1035

Candidate Signature: Date: 04/06/2019

Student ID number: 1478349
Full name of author: Chanthasone Southammavong

ORCID number (Optional): ............................................................

Full title of thesis (‘the work’):
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Signature of author: … ……. ………
Date: 04/06/2019