Turnover and retention:

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Introduction

This summary of current literature on turnover and retention is largely based on the literature review document that was simultaneously prepared for People in Aid. This summary tries to organize issues in a more systematic way, mixing concerns from the humanitarian sector together with practice from the corporate sector when it seemed relevant. This document is not meant to propose new ways forward, as it is mainly a review of existing literature, but it is hoped that the way it is presented will help in highlighting and identifying key issues in retaining staff for the humanitarian sector.

To clarify the scope of this summary - it focuses on expatriates or international cadres for two reasons:

1) Most of the available literature and information available relates to this category of staff, and,
2) Many key management posts within INGOs (and elsewhere) are currently filled by this category of staff, and it is these posts where the problems of staff turnover or retention issues are felt most acutely

1. The concept of turnover

According to recent surveys, “attracting and retaining key talent is considered as a key strategy to achieve financial success” (Raikes and Vernier 2004). The impact of turnover is widely considered to have direct and indirect costs on organisations, with the bill costing anywhere between 50 and 150% of an annual salary (Mercer 2004). In the humanitarian sector as well, the negative impact of staff turnover on the performance of relief aid agencies, and ultimately on what is delivered to beneficiaries, is mentioned as a key challenge to address (Richardson 2005; EPN 2005; Loquercio 2005), with the cost of a successful recruitment estimated at around 15'000 sterling by both the ICRC and VSO (Loquercio 2006).

The general economic context

According to consultancies, retaining staff might become increasingly difficult in the coming years. Even though UK based research suggests that turnover rates have remained stable in time (CIPD 2005b) the demographic evolution means that the baby boomer generation will start retiring in the coming years. At the same time, demographic changes show that the number of skilled 15-29 year olds entering the job market is steadily contracting, which is increasing the strain on human resources (Deloitte 2004).

Then, Arthur (2001) draws attention to a change of attitude towards work in the younger generation. According to her, younger people are less likely to have a sense of loyalty after having frequently seen their parents fall victims to corporate “downsizing”. As a result, they know that they have to actively manage their career. They are more interested in continuing learning and education and expect to go through numerous jobs and career changes throughout their lifetime. They respect expertise and knowledge, rather than titles and will be reluctant to start working for an employer who does not allow them to challenge the status quo. They are trying to balance careers and familial responsibilities, unwilling to give up either one.
Turnover rates and main trends
But what are the trends and rates for turnover? First, to calculate the crude turnover rate the generally used formula is:

\[
\text{Crude turnover rate} = \frac{\text{Total number of leavers over period}}{\text{Average total number employed over period}} \times 100
\]

The total figure includes all leavers, even people who left involuntarily due to dismissal, redundancy or retirement. It also makes no distinction between functional (i.e. beneficial) turnover and that which is dysfunctional. This means that it is useful for benchmarking purposes but of little practical use to identify precisely problems within an organisation (CIPD 2004).

Griffeth and Hom (2001) offer to focus on the part of turnover that is of real concern to an organisation by differentiating between voluntary and involuntary turnover. In other words, did the employee choose to leave the job or was it a decision made by the employer? Then, voluntary resignations are further distinguished between functional (exit of substandard performers) and dysfunctional (exit of effective performers). Finally, unavoidable resignations over which the employer has no influence are also left aside (family move, childbirth, serious illness or death). This leaves the group of avoidable resignations as the key focus. It also implies that to allow an informed decision, turnover rates have to be calculated down to department level, to identify which areas are most problematic.

Recent research in the UK (CIPD 2005b) shows that turnover currently is around 15% and notes that evidence doesn't seem to support the view that turnover rates are increasing over time. According to the report, the biggest share is made of voluntary turnover, as opposed to termination of the contract by the employer or retirement. However, there are wide differences between regions and sectors. Industries such as retailing, hotels, restaurants or call centres often have rates superior to 50% while the public sector average is at 11,5%. Regions with lower unemployment rates will experience higher turnover. Rates can also significantly vary within the same organisation in the same location and is often related to the type of position but also contextual factors which will be addressed under retention.
Another UK based report (People Count 2005) focusing on the voluntary sector mentions an overall turnover rate for the voluntary sector of 21%, and 16.7% for the international development sector. According to this research, turnover is lower for managerial employees (13.9% in the international development sector) than for operational/support employees (21%). Here as well, voluntary turnover makes up most of the turnover (12.4% vs. 2.1% for end of contract and the rest for redundancies and dismissals).

However, as underlined by Loquercio (2005), calculating turnover rates for the humanitarian sector is not so obvious. Because many relief aid agencies still largely rely on fixed term contracts, which are usually not included in the calculation of turnover, turnover rates are bound to be of little use for any analysis. The problem is acute for key management posts which are often filled by expatriates and international cadres, and where humanitarian agencies of necessity (or circumstance) often end up ‘rotating staff’, with the result that even those with open ended contracts change from one assignment to the other, often on a yearly basis. Therefore, Loquercio argues that it is necessary to rely on other indicators to monitor problems related to turnover and staff rotation, offering among others the average duration of field missions, vacancy rate and seniority of staff. According to his research, the average duration of a mission for an expatriate ranges from 5.2 months (MSF-France) to 10.1 months (ICRC). Finally, Loquercio notes that the highly unpredictable staffing needs, related to the difficulty of forecasting humanitarian crises adds the problem of surge capacity to the previously mentioned HR problems.

**When does turnover matter?**

One of the key questions around turnover is "what is excessive turnover?" While consultancies tend to make turnover a major issue to tackle (Raikes and Vernier 2004), a lot of UK based companies don't consider turnover to be such a serious problem, or only to have a minor negative impact (CIPD 2005a). It is however true that at the same time, these organisations recognised retention to be one of their most pressing challenges while few had attempted to calculate turnover costs.

First, it should be noted that some employee turnover positively benefits organisations. For the CIPD (2005b), this happens "whenever a poor performer is replaced by a more effective employee, and can happen when someone’s retirement allows the promotion or acquisition of welcome 'fresh blood'. Moderate levels of staff turnover can also help to reduce staff costs in organisations where business levels are unpredictable month on month. In such situations "when business is slack it is straightforward to hold off filling recently created vacancies for some weeks" (CIPD 2005b). Gray et al (1996) add that turnover is considered by economists to be a necessary component of an efficient labour market and can ensure increased productivity by ensuring better matches between jobs and workers.

"It wouldn't make sense to claim that turnover will generally hurt beyond a defined level” says CIPD (2005b), adding that "where it is relatively easy to find and train new employees quickly and at relatively little cost, it is possible to sustain high quality levels of service provision despite having a high turnover rate. By contrast, where skills are relatively scarce, knowledge important, relations with customers/stakeholders are close and important, where recruitment is costly or where it takes several weeks to fill a vacancy, turnover is likely to be problematic from a management point of view. However, Hinkin et al. (2000) show in their article that even for jobs that do not require very elaborate skills, a retention strategy can positively affect the engagement, turnover and ultimately financial performance, especially, for positions that involve strong interaction with customers.
For the humanitarian sector, Loquercio (2005) sees several benefits in ‘rotating’ expatriate staff.

- By allowing breaks in between assignments, rotation of staff can allow to protect aid workers from burnout.
- Exposing staff to different contexts over a short period of time can support the development of experience and also allows this experience to travel and cross-fertilize with others.
- Limiting the duration of assignments can help to bring new blood and new ideas in a given context while ensuring the preservation of neutral and impartial analysis and action.
- The use of fixed term contracts can allow more flexibility to adapt staffing to operational and funding levels.
- Rotating staff and turnover provide more opportunities for career advancement.

However, the author recognises that negative general impact turnover can have and these are discussed below. The point here is that each agency needs to measure its natural turnover rate (CIPD 2005a) in order to determine when it is worth doing something.

Costing turnover
Looking more closely at the cost and impact of turnover, we need to include here both direct and indirect costs. There are differences in what exactly should be included, but if we only keep broad categories, we can mention (CIPD 2005b)

- Administration of the resignation
- Recruitment costs
- Selection costs
- Cost of covering during the period in which there is a vacancy
- Administration of the recruitment and selection process
- Induction training for the new employee

CIPD (2005b) says that "many of these costs consist of management or administrative staff time (opportunity costs), but direct costs can also be substantial where advertisements, agencies or assessment centres are used in the recruitment process." Direct costs are easier to calculate, however, according to research, it only constitutes the tip of the iceberg. The most important costs are related to the wider impact of turnover. This includes the cost of mistakes, efficiency loss for new staff and departing ones, loss of knowledge and delays in ongoing projects. For example, Gray et al. (1996:121) reported that for nurses in the UK, the average efficiency loss over the first 6 months of employment was estimated to be 30%, climbing to 50% in some cases. Estimations of recruitment and turnover costs in the UK are provided below (from CIPD 2005a).
Finally, even though measuring the costs of turnover can appear in some cases as subjective, CIPD (2005b) reminds that “measurement of the costs to the employer as a result of turnover is vital in building the business case for thorough and effective recruitment and retention initiatives. These costings can be a powerful tool for winning line manager and Board-level support for people management activities in these areas.”

In the humanitarian sector, according to discussions held at EPN (2005), the impact of turnover on humanitarian agencies' work output is such that the overall quality of the work delivered is compromised, despite standards being set and a desire to raise them through accountability.

Costs related to turnover are not fundamentally different in the humanitarian sector. Here again, one can mention direct costs such as:

- Costs and time related to the recruitment, selection and training of new staff
- Costs related to departure, such as medicals, visas, briefing, handover or flight tickets. These costs are always incurred but will be higher when staff rotation is quick.
- Separation costs with debriefing and administrative procedures are also mentioned.

Indirect costs, which are also substantial according to Loquercio (2005) include:

- The impact of role overload and open vacancies on staff morale.
- Initial inefficiency, mistakes and short productive time incurred by frequent staff rotation
- Loss of knowledge, especially informally captured knowledge and the negative impact on the continuity of programmes.

Loquercio does however make a distinction between emergencies and longer term contexts, considering the impact of staff turnover in emergencies as less detrimental because substitution approaches are more often used in such cases.

In terms of strategic HR management, EPN 2005 also noted that if because of high staff turnover, those recruited that showed promise are lost to the system, a problem in terms of renewal of future senior managers will emerge.
2. Why people leave an organisation

Push and pull factors

If we look now at the reasons behind employees' resignations, CIPD (2005b) identifies different reasons. It says that sometimes, it is the attraction of a new job or the prospect of a period outside the workforce which 'pulls' them, on other occasions they are 'pushed' due to dissatisfaction in their present jobs to seek alternative employment. Sometimes it is a mixture of both pull and push factors. For another group, reasons for leaving are entirely explained by domestic circumstances outside the control of any employer, as is the case when someone relocates with their spouse or partner.

But the CIPD also draws attention to the fact that the reasons people give for their resignations are frequently untrue or only partially true. "The use of exit interviews is widespread yet they are notoriously unreliable, particularly when conducted by someone who may later be asked to write a reference for the departing employee. They are reluctant to voice criticism of their managers, colleagues or the organisation generally, preferring to give some less contentious reason for their departure."

Among the main reasons advanced for resignation, research strongly suggests that push factors are a great deal more significant in most resignations than most managers appreciate. In fact, says this paper (CIPD 2005b), "it is relatively rare for people to leave jobs in which they are happy, even when offered higher pay elsewhere", adding that "most staff have a preference for stability." People leave when they are not committed and motivated anymore and lack of training or career opportunities can contribute to that.

Turnover in humanitarian agencies

The situation doesn't seem to be much different in the humanitarian sector. Dissatisfaction with the employing agency is presented as a factor leading to resignation, a situation that can be the result of diverging values between employee and employer, lack of support and transparency on the side of the agency or inadequate management (Loquercio 2005). EPN 2005 also noted that "the poorly managed relief worker leads to disillusionment and results in high staff turnover".

Beyond that, some issues seem to be more specific to the humanitarian sector, (Loquercio 2005):

- Quality of life: working in conflict areas with a heavy workload, limited comfort and privacy is seen as lifestyle that is accepted only for a certain amount of time by most aid workers.
- The aspiration to having a family is often incompatible with the realities of field based life.
- Many young adults see their engagement with the aid sector as a limited period of their professional life, fearing that their market value could suffer from prolonged absence from their home country. Others can give up for lack of career opportunities.

These dynamics are illustrated in the figure below (from Loquercio 2005):
Referring to issues of expatriate assignments but for private companies, an American survey (Price Waterhouse Coopers 2005) found out that “for dual career couples, 59% of respondents considered that the management of dual careers was the fundamental reason for refusing an expatriate assignment”.

Planning weaknesses, poor information systems, lack of management support at field level, conflictual atmosphere, poor involvement of staff in decision making, lack of transparency in management and stress and burnout are also cited in Henry (2004b).
3. Is it always desirable to retain staff?

For whom do we want retention?

Before looking at possible ways to retain staff, one needs to ask the following question: is it always a positive thing to retain staff. Hansen (2005) argues that there is a need to seriously distinguish between voluntary and involuntary turnover, claiming that turnover was inadequately labelled as a “money- sucking evil”, “turning turnover reduction into an end it itself while disconnected from business outcomes”. To illustrate the case, the author gives the example of the SAS institute, a successful organisation where, while voluntary turnover is low, involuntary turnover is much higher than in the rest of the sector. The article implies that most companies experience a general managerial reluctance to discharge poor performers, partially for fear of employee lawsuits.

Addressing the issue of talent, a report by Deloitte (2004) supports this point by writing that "today, a significant share of the workforce is disengaged, as a result of downsizing, employer demands and job disenchantment". But because of economic circumstances people stay put in their jobs, waiting for a better opportunity to come up before leaving their employer. While it is true that it is worrying for their performance to see such a proportion of disengaged staff within organisations, not the least because of the detrimental effect on morale, organisations bear their share of responsibility for this situation.

The same report says that companies place too much attention on “acquiring” talent, often ignoring employees once they have been signed up. It argues focusing on acquiring and retaining staff is not enough, especially when the strategy adopted tries to bribe talent to stay. Instead, it needs to “develop, deploy and connect” their employees.

In fact, it’s not the fact that employees stay or are "retained" with the organisation which is important, it’s why they stay. As noted by Hansen (2005), “optimal turnover is not the lowest turnover you can achieve. Optimal turnover produces the highest long-term levels of productivity and business improvement.”

So, there are two key points to note here:

1) First, organisations need to identify which positions, profiles and skills are most important to them and where turnover is most detrimental to their organisation. They can then focus on reducing turnover for these selected categories.

2) Second, retaining staff that have lost motivation is detrimental for an organisation. But since the degree of motivation is to a large extent the result of an organisation’s management and HR actions, by increasing the “engagement” of their employees, organisations can achieve a double benefit: increased productivity together with higher retention rates.

Engagement

So, how does engagement happen? “Employees need the will: the sense of mission, passion and pride that motivates them to give that all- important discretionary effort. And they need the way: the resources, support and tools from the organization to act on their sense of mission and passion” says a report by Towers Perrin (2003). The link between employee engagement and performance is illustrated in this report with the figure below.

In principle, the humanitarian sector should be able to count on a stronger engagement of its employees, due to the more “noble” nature of its work. But relief aid agencies still need to develop a sense of belonging to the organisation says Henry (2004b).
Linking employee engagement to financial performance (Towers Perrin 2003)
4. Approaches to improving retention

It now makes sense to take a closer look at the different approaches proposed to improve retention of staff. It might sound obvious to say, but there is no "one size fits all" to addressing retention issues, because each organisation has a different management approach and organisational culture.

Therefore, the first step in designing a retention strategy is finding out why people leave, why they stay and what could make them stay. As observed by Hinkin et al. (2000), when a significant share of employees only stay for a limited time with an organisation, it is often the symptom of underlying problems that need to be identified in order to determine what the most adequate measures would be.

Exit interviews are commonly used for this purpose, but they have two shortfalls. First, they come too late in the process, and second, as mentioned earlier, they might not be reliable if conducted too soon after the resignation, especially when conducted by a line manager of the departing employee (CIPD 2005b). It is therefore recommended to guarantee confidentiality and conduct the interview some time after resignation.

More constructively, staff surveys should be conducted at regular intervals to poll employees' attitude and gather information allowing to shape a retention strategy. Indeed, specialists consider that building engagement, and hence retention is a process that needs continuous updating (Towers Perrin 2003).

It’s all connected

When addressing retention, one needs to realise the connections between recruitment, motivation, management of staff, communication HR policies and retention. Any approach needs to balance and adapt the different aspects of a retention policy according to the needs of the situation it is addressing. It also should be able to provide different incentives according to the profile of the employee and the stage of its professional and private life.

For the humanitarian sector, this is well illustrated by the People in Aid Code of good practice (People in Aid 2003) and its 7 principles:

- Human Resources Strategy: Human resources are an integral part of our strategic and operational plans
- Staff Policies and Practices: Our human resources policies aim to be effective, fair and transparent
- Managing People: Good support, management and leadership of our staff is key to our effectiveness
- Consultation and Communication: Dialogue with staff on matters likely to affect their employment enhances the quality and effectiveness of our policies and practices
- Recruitment and Selection: Our policies and practices aim to attract and select a diverse workforce with the skills and capabilities to fulfil our requirements
- Learning, Training and Development: Learning, training and staff development are promoted throughout the organisation
- Health, Safety and Security: The security, good health and safety of our staff are a prime responsibility of our organisation

Sung and Ashton (2005), on their side, look at “High performance work practices” as a set of complementary work practices which can not only improve performance, but also increase
engagement, performance and retention. These practices are split between three broad categories:

- **High employee involvement practices** aiming at encouraging a greater level of trust and communication between employers and employees, through involving them more in the organisation, and empowerment. Common practices include circulating information, staff association, staff surveys or self managed teams.

- **Human resources practices** target the creation of skills within the organisation through practices such as appraisals, job performance feedbacks, review of training needs, training or mentoring.

- **Reward and commitment practices** aim at creating a greater sense of belonging and commitment to the organisation. Such practices include performance pay, flexible job descriptions, job rotation, “family friendly” policies or non-pay benefits.

Finally, Deloitte (2004) argues that organisations need to concentrate on “developing, deploying and connecting” their employees.

This means **developing** the skills, not just through formal training but by learning how to learn, where to find the information (the report mentions that “A well known MIT study found that people are five times more likely to ask a co-worker for information than to consult an intranet, database or company computer system.”) or action learning supported by coaching and mentoring (the report cites a study showing that 67% of respondents consider that they learn most when working together with a colleague on a task).

**Deploying** means finding a fit between the skills and the job. This implies sometimes redesigning job descriptions or encouraging mobility. When vertical mobility is not possible, employees need lateral experiences that promise challenge and growth, says the report. It argues that “by encouraging greater mobility, organizations inspire a more engaged workforce and promote greater strategic flexibility.” The report also suggests that “successful talent management includes strategies to stay engaged with alumni” because “individuals granted latitude by their employers to explore new territory often make their way back with renewed vigour and insights.

**Connecting** implies helping to develop rich networks, both internal and external. For example, informal discussions around the coffee machine are said to be the founding principle of “communities of practice”.

In order to build talent, the report argues that the first step is to define which jobs are critical, then the skills required to achieve important strategies. But at the same time, a focus on talent shouldn’t mean to block the development of other employees.

For this paper, we will organize the different aspects that can positively influence retention according to the 7 points of the People in Aid code.

### 1. Human resources strategy

*“Human resources are an integral part of our strategic and operational plans.”*

Even though the humanitarian sector relies on its staff for the success of its operations, and expects them to work hard in difficult circumstances, it doesn’t have a good reputation in terms of their treatment, something that ALNAP (2002) clearly describes as an unsustainable approach for the development and retention of a pool of qualified and experienced aid workers. It is therefore not surprising that recruitment and retention of experienced managers should remain the most burning issue for relief aid agencies, as observed by Henry (2004b).

While it might be attributed to bad planning, or sometimes the employment of non-specialists in HR departments, ultimately, it has to do with the fact that HR is often seen by agencies as a service department of secondary importance vis a vis operational desks, meant to provide
staff rather than participate in strategic planning and orientation for the whole agency (Henry 2002b). It can be related to a lack of commitment on the side of agencies, but also to structural problems related to funding.

The donors’ tendency to squeeze overhead costs to the minimum is impacting on the funds that can be allocated for HR purposes says Henry (2004a). Few agencies have qualified HR personnel and career planning is difficult because of the project based funding. "Cheap" HR management is however not an option adds Henry, as it would put relief agencies’ existence at risk. Therefore, to improve the situation for this first point, action is required at agency level to recognize the strategic role of the HR function and integrate it in strategic planning. There is also a need to address the issue of funding, so that poor HR practices do not negatively impact on the quality of agencies’ programmes.

2. Staff policies and practices

“Our human resources policies aim to be effective, fair and transparent.”

The CIPD (2005b) advises to "bend over backwards to ensure that you do not and are never seen to discriminate against employees on any unfair grounds. A perception of unfairness, whatever the reality when seen from a management point of view, is a major cause of voluntary resignations. While the overall level of pay is unlikely to play a major role unless it is way below the market rate, perceived unfairness in the distribution of rewards is very likely to lead to resignations."

The concept of "psychological contracts" can be useful here to illustrate this point. Psychological contract refer to the perceptions of employee and employer as to what their mutual obligations are towards each other, even though these obligations are often informal and imprecise: they may be inferred from actions or from what has happened in the past, as well as from statements made by the employer, for example during the recruitment process or in performance appraisals. Some obligations may be seen as 'promises' and others as 'expectations'. The important thing is that they are believed by the employee to be part of the relationship with the employer" (CIPD 2004). In fact, the psychological contract is based on employees' sense of fairness and trust, and their belief that the employer is honouring the 'deal' between them.

In the humanitarian sector, this is especially strong, with field staff usually dedicating to an agency more than just their professional life. This self-perceived strong personal investment is matched by expectations of fairness and adequate recognition on the side of the employer. Because of the distance with headquarters, field based line managers have a particularly important role to play. Henry (2004b) adds that in order to build loyalty, base pay is not the determining factor, but rather efficiency, ethics and the professionalism of an agency. Unfortunately, as in other industries, line managers often fail to show the basic people management skills that would allow to succeed here.

Another point, which is maybe more acute in the humanitarian sector because of the high turnover is related to training. Some agencies appear reluctant to invest in training their staff, fearing that if that person doesn't stay with them at the end of the contract, they will have lost their investment. In reality, training is both meant to be beneficial quickly when it is adapted to the needs. Moreover, not (or reluctantly) training staff is probably an incentive for them to leave, because such a policy can be perceived as unfair and endangering the employability of the employees.

3. Managing people

“Good support, management and leadership of our staff is key to our effectiveness.”

It is common to hear that people join companies and leave managers. This is unfortunately also true in the humanitarian sector. In all sectors, people want competent managers. Both in terms of technical skills (know what they're talking about), fairness and people management skills. Because they are the persons who impact most on their work
experience, managers are also often the factor that will make the difference between staying and resigning. Consultants in the corporate sector have proposed that line managers be made accountable for staff turnover in their teams and reward managers whose record at keeping people is good by including the subject in appraisals (CIPD 2005b). It was also proposed to train line managers in effective supervision before appointing or promoting them and offer re-training opportunities to existing managers who have a poor record at keeping their staff.

This is not least challenging for humanitarian agencies, where many programme managers with leadership responsibilities have a predominantly technical background and have often not had a real opportunity to formally develop people skills (Loquercio 2005). Investing in training, particularly management development, is therefore also a key priority for humanitarian agencies, something that should not only benefit employees but also facilitate the life of managers and help them to gain more confidence. Humanitarian agencies probably could also make progress in terms of recognition and support, acknowledging better and more openly success and staff commitment and demonstrating and expressing more clearly that they care about their staff.

4. Consultation and communication

"Dialogue with staff on matters likely to affect their employment enhances the quality and effectiveness of our policies and practices."

CIPD (2005b) recommends to "ensure wherever possible that employees have a ‘voice’ through consultative bodies, regular appraisals, attitude surveys and grievance systems." According to the CIPD, "this helps to ensure that dissatisfied employees have every opportunity to sort out problems before resigning. Where there is no opportunity to voice dissatisfaction, resigning is the only option."

As mentioned earlier, one concern of staff is work-life balance, something increasingly important to individuals. Agreeing on such an issue requires consultation and dialogue to accommodate individual preferences, instead of developing a culture of 'presenteeism' where people feel obliged to work longer hours than are necessary simply to impress management (CIPD 2005).

5. Recruitment and selection

"Our policies and practices aim to attract and select a diverse workforce with the skills and capabilities to fulfil our requirements."

Recruitment is one of the key aspects for retention. If the selection process is deficient, it can lead to employees leaving earlier than their employer would like them to, thus increasing turnover costs. It could also allow poor performers enter and stay in the organisation, driving down its performance.

To tackle recruitment issues, Adamsky (2005) gives the following advice:

- Hire better recruiters, because they are the gate of the organisation and are meant to attract talents in the organization.
- Brand the organization, because employment branding – gaining and marketing a reputation for being a good employer – allows to more easily hire the candidates you really want.
- Aggressively pursue top talent and attract them to your organization
- Create better employee referral programs so that employees support HR for attracting talents in the organisation.
- Look at talent as opposed to workforce planning
Induction and transparency

Although "branding" and the concept of the “employer brand” can be used to attract people to an organisation, it takes more than an ‘image’ to make people stay, especially with non profit organisations where salary levels can be less attractive than in the corporate sector and potential candidates are more likely to respond to other factors.

During the recruitment process and in interviews, organisations often raise expectations to a level that cannot be satisfied, leading people to compete for and subsequently to accept jobs for which they are in truth unsuited (CIPD 2005b). Organisations do this in order to ensure that they fill their vacancies with sufficient numbers of well-qualified people as quickly as possible. However, over the longer term the practice is counter-productive as it leads to costly, avoidable turnover and the development of a poor reputation in local labour markets.

In the high turnover industries in particular, a great deal of employee turnover consists of people resigning or being dismissed in the first few months of employment. Even when people stay for a year or more, it is often the case that the decision to leave sooner rather than later is effectively taken in the first weeks of employment. Poor recruitment and selection decisions, both on the part of the employee and employer, are usually to blame, along with poorly designed or non-existent induction programmes (CIPD 2005b).

The advice here is to give prospective employees a ‘realistic job preview’ at the recruitment stage, taking care not to raise expectations only to dash them later. The first week of employment is crucial in determining whether someone will stay or not. That’s why it should be well planned (Breuer 2000).

This point is also advocated by Loquercio (2005) who recommends investing in the induction and orientation of new employees in order to facilitate their integration by explaining the technical language and jargon of the organisation, helping to understand the values, power structures and unwritten rules of the agency.

Terms and conditions of service

At the recruitment stage, sharing terms and conditions of service can encourage potential employees to at least consider the organisation. Below a certain level, it might even be difficult to find candidates.

However, even if it is true that badly designed pay systems can de-motivate employees, getting pay right does not appear to be a solid guarantee of commitment. Research (Mercer 2004) shows that when looking at factors influencing commitment and motivation, “pay” only gets 65% of the votes, behind "Being treated with respect" (85%), “work/life balance” (79%), “providing good service to others” (74%), “quality of work colleagues” (74%) and “type of work” (73%). “Variable pay” gets only 34%. This implies that although it is necessary to provide a decent and comparable package, it's not the winning factor, and financial incentives even less so. By the way, another survey conducted in the UK (Towers Perrin 2003) shows that a large proportion of employees don't think that top performers are better rewarded than average performers, which might be an explanation. Taking an extreme position, one could even say that a high salary can encourage people to stay when they are not committed and the organisation would actually be better off without them. In reality, this is unlikely to be the case for humanitarian agencies, such as the volunteer based organisation MSF, where salaries are more modest.

For humanitarian agencies, Henry (2004b) says that for those engaged in the long term, benefits are more important than pay. They can include tax free salary, health and retirement benefits, return or end of contract allowances, longer holiday, baggage allowance, per diem, insurance or facilitating accompanied status.

Growing the pool

Recruitment policies reflect and influence the approach towards the development of staff. Given that it is both recruitment and retention of experienced managers that remains the most burning issue for relief aid agencies, we can conclude that the ‘pool is too small’.
This is illustrated by the example of Darfur, where "agencies have become more desperate and began to make compromises in their recruitment. This has resulted in dropping selection criteria over time, interviews only being conducted over the phone, and less importance placed on security and political competencies. Exceptions were made and a high percentage of first timers were recruited" (EPN 2005). The impact was that inexperienced people were allocated tasks and positions beyond their current abilities. Correspondingly there were high expectations placed both on themselves and by others for them to perform. This is not unique to Darfur, and it can be seen in other humanitarian responses. Of particular concern is that people can accept positions beyond their competency level almost as if tempted to go beyond their ability (EPN 2005). This in turn can mean that good people are put in positions where they are destined to fail. And staff shortages and difficulty in recruiting lead to increasing pressure on the staff on site to stay, almost to the point of manipulation (EPN 2005).

One of the main HR headaches in the humanitarian sector is described as follows: whereas aid workers usually enter the sector when they are young and still mobile, they are often faced after a few years with personal choices, mostly related to family issues that can force them to leave the sector or at least make them a lot less mobile. As a result, humanitarian agencies are confronted with difficulties in filling middle management positions with adequately skilled and experienced staff (Loquercio 2005). Agencies can thus be forced to compromise when recruiting or increase the speed of internal promotions without allowing the necessary time to build experience. Loquercio observes that difficulties are worse for smaller agencies who have less possibilities to offer internal promotion to their staff and are therefore more likely to lose them to other agencies. Similarly, agencies who strongly rely on volunteers often end up losing them to other agencies or sectors of activity (Loquercio 2005).

Trying to retain these programme managers is one option, but there is maybe also something to be done in terms of recruitment policies. If finding the right person is a problem, a possible solution is to consider potential and transferable skills rather than actual experience or skills in the requisite role. Recognizing transferable skills acquired in the corporate sector, agencies should work harder at providing entry routes in the humanitarian sector instead of insisting that applicants have previous field experience (Loquercio 2005).

Indeed, if all agencies had such an approach, where would experienced aid workers come from?

6. Learning, training and development

“Learning, training and staff development are promoted throughout the organisation.”

One of the major reasons why people resign is when they feel that they have stopped learning and developing personally or professionally. The employer obviously has a key role to play to ensure that its employees are faced with new challenging tasks and equipped with the skills necessary to deal with their work.

CIPD (2005b) recommends to maximise opportunities for individual employees to develop their skills and move on in their careers, advising to take sideway moves that vary experience and make work more interesting.

The traditional approach is through career progression and advancement. This is however not always possible and can be accepted by employees, as long as the selection process for promotions is seen as fair (CIPD 2004). Other options include redesigning job descriptions, promoting laterally, when promoting vertically is not possible. Offering more possibilities for development and training of staff, including by encouraging taking a year off in order to go back to university is another option (Loquercio 2005).

As mentioned by Henry (2004b), humanitarian agencies need to have a coherent training policy and invest in training, even though high turnover can dissuade those who are responsible for making investment decisions from doing so.
Offering career opportunities
The CIPD (2005b) recommends providing as much job security as possible. According to its report, employees who are made to feel that their jobs are precarious may put a great deal of effort in to impress, but they are also likely to be looking out for more secure employment at the same time. Security and stability are greatly valued by most employees. In this sense, letting employees know from the beginning that they can grow in your agency is an encouragement to stay.

When talking about offering career opportunities, humanitarian agencies have several problems. First of all, it is difficult to track the performance of field staff and match their skills and profile with a new position. Indeed, even if they are 'followed' by HR at headquarters, they are based in the field and led and appraised by their field based line manager, a person that also changes on a yearly basis. Given that the quality of appraisals is not always consistent, it makes the task of the HR managers all the more difficult (Loquercio 2005).

However, more could certainly be done in succession planning, with agencies’ tendency to start recruitment “at the last minute” being criticized (Henry 2004b). Starting to discuss the next assignment 3 to 6 months before the end of mission could facilitate planning and signal to field staff that their agency is interested in further collaboration. When that doesn't happen, perceived job insecurity can push employees to start looking elsewhere in order to find another job.

In terms of succession planning global networks have an advantage with their internal job market which allows more mobility to their staff, even though this possibility is not always used to its full potential (Henry 2004a)

Short term contracts / agreements
But some serious thinking needs to go into the standard duration of contracts or agreements with staff, because “traditional resourcing practice, with many staff employed on short term contracts... [has] ...inhibited skills development, individual and organisational learning.” Indeed, rapid staff turnover, especially amongst expatriate staff, and the widespread use of short term resourcing is one of the main constraints on both staff capacity building and organisational learning and has ultimately negative effects on the quality of humanitarian relief programs (Richardson 2005).

This practice is not only damaging in terms of staff retention but also for learning. Indeed, it discourages people from investing in learning because job insecurity is forcing them to rather concentrate on finding the next job. Obviously, everyone needs time to learn how to do its job, and then time to perform it well. But when staff are moved on or 'rotated' too quickly, the opportunity to do this disappears. Frequent changes or high rates of turnover also make it impossible to ensure systematic handovers between incoming and outgoing staff, with resulting loss of knowledge and frustrations on all sides.

It is argued that the duration of missions is limited by funding constraints (project based funding), the necessity to include periods of rest and the fact that for international aid workers, staying away too long from their home environment would adversely affect their market value (Henry 2004a). However, Loquercio (2005) suggests that the duration of assignments should be raised to a standard minimum of 12 months, and more for key positions such as programme managers or senior management. The author also cites examples of agencies who give longer term contracts unrelated to a specific destination. This gives more flexibility to the agency and more benefits for the aid workers. Donors are also requested to look into the problem and provide more predictable funding frameworks that would allow giving longer term contracts.
7. Health, safety and security

“The security, good health and safety of our staff are a prime responsibility of our organisation.”

Health, safety and security issues are probably more acute for aid workers than in the corporate world. Health aspects can cover both physical and psychological aspects. Expatriates working in tropical environments are especially exposed to health related problems such as malaria, diarrhoea, AIDS and other diseases. Good briefing, relevant vaccines, adequate support to avoid staff getting sick (water filters, cooks well trained for hygiene,...) and quick and good treatment can help to reduce health related turnover (Loquercio 2005).

On the other hand, quick and adequate response to the different types of stress field staff can be exposed to is also a mitigating factor. Avoiding presenteeism, learning how to better manage time, providing adequate living conditions, work/life balance, rest and relief, appropriate support and emotional debriefings when confronted with traumatic events can make a difference between burnout and remaining fit for another assignment. During emergencies, it can help to have HR staff coming from the HQ as part of the emergency response team to strengthen recruitment and assist in the support of both national and international staff (EPN 2005)

Can retention work in the humanitarian sector?

In other words, we can look at the diagram overleaf cited from Richardson (2005). Not only does it shows the different elements that can lead to longer term careers and improved humanitarian capacity, it also reminds us that Oxfam, by adapting a voluntarist strategy to tackle its turnover problem managed to cut it by more than half, a sign that there is still potential for improvement in the humanitarian sector.

Oxfam’s resourcing and reward model (Richardson 2005)
5. Alternative approaches to retention

Retaining knowledge
As we move towards an increasingly service and knowledge based economy, the management of knowledge workers is becoming a key issue. Research and development departments are now by far not the only place where crucial knowledge is stored in an organisation. It is therefore important to make sure this knowledge is retained within the organisation (CIPD 2005c). This can imply putting greater emphasis on the capacities of employees to interact and share their knowledge with their team-mates so that the risk associated with a potential departure is reduced. This can be supported by communities of practice or providing space and opportunities for sharing. It can also mean putting more effort into retaining individuals with key knowledge assets through retention measures such as career development or better work/life balance (CIPD 2005b).

Following this line of thought, Loquercio (2005) underlines the possible role of learning and knowledge management in mitigating the negative impacts of excessive turnover and staff rotation. The emphasis is put on helping to map learning needs through the identification of knowledge domains and knowledge sources, both explicit and tacit. Among the key learning processes, the role of organisational induction, briefings and handovers is underlined. Peer support, communities of practice and mentoring are also presented as useful tools. Finally, the paper draws attention to the often underutilized capacities of local staff who have a much better and comprehensive institutional memory of the history and action of their agency in a given context. The paper warns against the dangers of designing a predominantly IT based knowledge management strategy and underlines the importance of knowledge transfers through people and social processes.

Building local staff capacity
When looking at the problems associated with the turnover of expatriate staff, one cannot escape the question of their usefulness, or at least their numbers, when compared with national staff. Henry (2004a) addresses this points and notes that while expatriates might sometimes be necessary, their presence is also associated with problems such as high turnover, poor knowledge of local realities, lack of cultural sensitivity and tensions resulting from expatriate lifestyles.

Mukasa (1999) covers the issue more extensively, analysing what added value expatriates bring to international development NGOs, and what potential problems their use can create. The first basis in questioning their utility is the comparatively high costs they incur compared to national staff, especially considering that often, their presence is donor rather than needs driven. The author says that often, expatriates fail to transfer skills to national staff and are often concerned with short term outcomes that will impress their HQ, rather than long term benefits. In her case study, the author describes how frequent turnover of expatriates could result in a lack of cohesion among project activities or their continuity, as new activities were often added to reflect the interests and expertise of new expatriates rather than following an analysis of local priorities. Frequent change of expatriates was also said to make it difficult for staff to clearly understand their role, as it would change from one expatriate to the other. As a result, ownership was also weaker. Further problems related to the presence of expatriates were mentioned as their limited cultural awareness and lifestyle, which could alienate them local support.

On the other hand, the development and increasing use of advanced IT technology is allowing easier and more affordable real time contact between Headquarters and field offices. In a sense, this could mean that support and control from Headquarters need not necessarily to take the form of a large expatriate presence in the field, but could allow for more flexible management at a distance. If expatriates are probably to stay, their interaction
and relations with national staff could probably be improved and make better use of the local capacities and its ability to act as a longer term institutional memory, thanks to longer commitment to the same location and agency.

6. Conclusions
It has been widely stated in recent years that companies should prepare themselves for a ‘war for talent’. But is this the case for humanitarian and emergency relief agencies?
Arguably not, for with aggressive competitiveness, the global performance of the sector will suffer with increased turnover and poorer performance. It would also likely result in the concentration of resources within a core group of agencies, putting the diversity and independence of humanitarian agencies at risk.
Agencies and donors need to assume their own responsibilities, with a coordinated effort to alleviate the constraints that the system, and the lack of qualified and experienced managers incurred by high turnover inflicts on the performance of the sector.
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