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Recruitment & talent retention in a competitive market

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DEDICATION
&
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This work is dedicated to my parents, my wife, my siblings, and all my family members.

Great thanks to them because they started this journey with me, and helped me to achieve this work.

Many thanks to my thesis advisors, Dr. Boucha & Dr. Cherfouh for their enthusiastic support, and guidance through every step of this project and throughout the last year helped me achieve this accomplishment.

Great thanks to the staff members of AMS MB

A special thanks and gratitude to everyone who encouraged me to become what I am today, a special thanks for their understanding, help, and most importantly their tolerance and support.

Abstract

Recruitment as a function and retention as an ambition and aim, both represent a challenge to any employer, and are to be dealt with, with much care and attention, because they are the functions or tasks that can guarantee a longer existence and prosperity of any business.

The challenge between business owners led them as employers to think about their staff, because they finally understood that the business can stand only by the force of its staff, thus recruitment and retention both gained a wider importance and a better place in the company.

To guarantee that the company can have the best skills available in the labor market, a recruitment process and policy became a must, and in order to retain the skills previously gained through proper recruitment process, a retention policy must be put in place to motivate employees and push them away from thinking about leaving the company.

The aim of my thesis is to understand how does the recruitment system of AMS MB function, and what are the challenges that face AMS MB as an employer to retain its employees.

Detecting the lacks in AMS's recruitment process and retention strategy, and adjusting those last in order to lower its turnover would be among the tasks of my mission with AMS MB.

key words

Recruitment, retention, strategy, process, employee, employer, turnover.

Résumé

Le recrutement en tant que fonction et la rétention en tant qu'ambition et objectif, les deux représentent un défi à n'importe quel employeur et doivent être traités avec beaucoup d'attention parce que ce sont les fonctions ou les tâches qui peuvent garantir une prospérité et une existence plus longue a n'importe quelle entreprise.

Le challenge ou le défi entre les chefs d'entreprise les a amenés en tant qu'employeurs à penser à leur personnel, parce qu'ils ont finalement compris que l'entreprise ne peut se maintenir que par la force de son personnel. D'où Le recrutement et la rétention ont gagné ainsi une plus grande importance et une meilleure place dans l'entreprise.

Afin de garantir que l'entreprise peut avoir les meilleures compétences disponibles sur le marché du travail, la mise en place d'un processus et une politique de recrutement sont devenus incontournables, et afin de retenir les compétences déjà acquises grâce à un processus de recrutement adéquat, une politique de rétention doit être mise en place.

Le but de ma thèse est de comprendre comment fonctionne le système de recrutement d'AMS MB, et quels sont les défis auxquels AMS MB est confronté en tant qu'employeur pour retenir ses employés.

Détecter les lacunes dans le processus de recrutement et la stratégie de rétention d'AMS, et ajuster ces derniers afin de réduire son turnover seraient parmi les tâches de ma mission avec AMS MB.

Mots clés :

Recrutement, rétention, stratégie, processus, employé, employeur, turnover.

نبذة مختصرة

إن التوظيف كمهمة و سياسة الاحتفاظ بالموظفين كطموح وهدف، يمثلان تحديًا لأي صاحب عمل، ويجب التعامل معهما، بقدر كبير من العناية والاهتمام، لأنهما يمثلان العنصر الذي يمكن أن يضمن وجودًا أطول وازدهارًا لأي عمل.

أدى التحدي بين أصحاب الأعمال التجارية لهم كأرباب عمل للتفكير في موظفيهم ، لأنهم أدركوا في النهاية أن الأعمال التجارية لا يمكن أن تقف إلا بقوة موظفيها ، وبالتالي اكتسب التوظيف و سياسة الاحتفاظ بالموظفين أهمية أكبر ومكانًا أفضل في الشركة.

ضمان حصول الشركة على أفضل المهارات المتاحة في سوق العمل ، أصبحت عملية و سياسة التوظيف أمرًا ضروريًا ، ومن أجل الاحتفاظ بالمهارات التي اكتسبتها المؤسسة سابقاً من خلال عملية التوظيف السليمة ، يجب وضع سياسة الاحتفاظ بالموظفين لتحفيز الموظفين ودفعهم بعيدا عن التفكير في مغادرة الشركة.

الهدف من أطروحتي هو فهم كيف يعمل نظام التوظيف، وما هي التحديات التي تواجه AMS MB كصاحب عمل للاحتفاظ بموظفيها.

إن الكشف عن النقص في عملية التوظيف وإستراتيجية الاحتفاظ بالموظفين في AMS وتعديل تلك الأخيرة من أجل خفض معدل دورانها سيكون من بين مهامي مع AMS MB.

الكلمات الدالة

التوظيف، الموظفين، الاحتفاظ،، سياسة، صاحب عمل

Appendixes

1. List of figures and graphs

2. Chart's list

3. Abbreviations

Abbreviation	Signification
AMS	Algerian Motors Services
MB	Mercedes-Benz

Table of contents

Part one: Conceptual approach Chapter 1: **Recruitment**

Introduction

Section I: **Recruitment within the HR**

Section II: Recruitment

Conclusion

Chapter 2: Retention

Introduction

Section I: Employee Turnover

Section II: Employee Retention

Conclusion

Chapter 3: Case study

Introduction

Section I: Presentation of the company «AMS Mercedes-Benz »

Section II: Recruitment process and policy at «AMS Mercedes-Benz»

Section III: Retention policy at «AMS Mercedes-Benz»

Section IV: Evaluation of the recruitment process and retention strategies at «AMS Mercedes-Benz»

Conclusion of chapter three

General conclusion

BIBLIOGRAPHY:

General Introduction

Recruitment comes when a business or a department expresses the need to new staff members in order to be able to accomplish and achieve the objectives that that department was set for, and it’s the process of finding and hiring candidates that match the company’s need; the recruitment can be done whether within – internal mobility – or outside the company.
Recruitment is a core function of the human resource management, and it includes a whole process starting form recruitment need identification, sourcing, short-listing, selecting and appointing suitable candidates, it’s also a process that costs the company time and money.

The need to be in advance comparing to other firms made it all a very important task of any firm to attract the best talents and fulfill recruitment needs, and push forward for employee retention.

«In today’s competitive labor market it is important for organizations to utilize their resources effectively in order to gain competitive edge. Skilled employees that add value to organizations are vital to their success, and therefore firms are fighting for skilled human resources[1]» (Ullah, 2010).

It is very important to understand that any firm in any field stands up by the efforts of its staff, putting ahead the mission of recruitment and retaining employees will guarantee that the company will be able to survive the challenges and the barriers ahead its goals and aims.

This study will be under the title recruitment & retention strategies in a competitive market referring mainly to AMS MB as a case study and its competitive environment.

Several raisons pushed me to choose this title and particularly the above-mentioned case study among the reasons are:

Subjective ones:

- The need to enlarge and expand my knowledge about the available and applied recruitment processes & retention strategies.
- Acquire a new vision and a real experience in the domain of recruitment and retention issues.

[1] M. Ullah, A systematic approach of conducting employee selection interview, 2010, p106

- An opportunity to work in one of the most pertinent domains of the Human Resource Management.
- Learn about new methods and ways of achieving a successful recruitment, and applying retention strategies.

Objective ones:

Recruitment is one the main domains of HR Management, and that makes it an important theme and a good choice for my thesis.

Retention is a topic that most employers face with fear, and it is also topic that could attract easily employers attention, which makes it easy to have a fruitful case study, because employer would be interested to hear what is really needed to be adjusted in their business.

AMS MB could be a very interesting case study, since its turnover is was very high during the previous year, and this can this thesis the beginning point of another thesis at EHEC in the future.

In this thesis I am looking forward to answer several questions that are asked, and the main problematic for this thesis would be :

«*What are the steps to follow to achieve a successful recruitment, and the strategies to guarantee a long term work relationship?* ».

In order to guide this research and this thesis a multitude of questions were asked forward to finding the best answers:

- How to achieve a successful recruitment in a complex organization with a challenging environment?
- How to identify to main factors that push high the turnover in the organization?
- How best to face turnover in advance and what are the most relevant retention strategies?

I suggest the following hypothesis to trace my work and to answer with headlines to the previously asked questions:

- The establishment of a recruitment process with clear steps from A to Z is a must.

- High turnovers could be due to so many different factors, internal or external, identifying the key factors in the organization could lead to a better retention policy.
- Facing the turnover needs the willingness of the organization, and how far would the organization go in order to retain its employees.

In order to lead this work the best way possible, I have decided to work with following methodology:

The first part is a conceptual approach, with a descriptive method based on my researches, HR expert's works, and what I have found in different sources cited in the bibliography.

The second part I have adopted an analytical way of research that treats both the recruitment process and the retention strategies of AMS MB, and in order to achieve this, I have lead the recruitment process of AMS MB with the rest of the HR team, and adjust that last as much as necessary, and in order to understand to reasons of the high turnover at AMS MB, I have sent a questionnaire, and met with employees.

This thesis includes three chapters:

The first part includes two chapters:

The first chapter is about theoretical foundations of the human resource management and recruitment. It includes two sections, one about the conceptual approach of recruitment and its position within the HR, and the second one about the recruitment process.

The second chapter is about theoretical foundations of employee turnover and employee retention strategies, and it is divided into two sections, the first defines the employee turnover and cites the key factors of employee turnover, the second section defines the employee retention and cites the main classical and modern motivation theories.

the third will be a case study about the recruitment process in AMS Mercedes-Benz and its employee retention strategies.

The second part includes only one chapter that concerns the case study:

This chapter includes four sections; the first section is a presentation about Mercedes-Benz and the Algerian Motors Services, the second, the third, and the fourth sections are about my mission with AMS MB, the second section treats the recruitment process of AMS MB and the third about its retention strategies, and the last section is an evaluation of the recruitment process and retention strategies at AMS MB.

Chapter one: Recruitment

Introduction

Companies in order to achieve their tasks, they would need various resources, among the human resources, and this resource before it is hard to manage, it is hard attract.

In order to survive the competition in the market, companies work forward to having an adequate human resource management, and among the tasks of this human resource management is to define ways (process) on how to attract new talents, because now employers understand that talents mean innovation and development.

This chapter with its two sections discusses the function of Human Resource management and its importance within the company, and then it defines recruitment and details the recruitment process.

Section I: Recruitment within the HR

1.1.1. Human Resource Management

The function of Human resource management has developed rapidly during the last century, from a simple operational function into a very important one; it became the first support function that deploys and finds the right people and the right candidates for the company so that it could face the challenges ahead.

«Human resource management can be defined as a set of management activities, that permits to the organization to deploy the human resource needed in number and quality[2]» (CADIN, GUERIN, & PIGEYRE, 2007)

Human Resource Management function plays a crucial role, besides the fact that HR department manages a big deal of operational tasks that are of big importance such as payroll, and administration, it also plays an important role in management and development.

Nowadays, and due to harsh competition between firms, it’s not enough to find the right candidate, but it’s also very important to attract that candidate with an interesting offer – salary, and package of benefits and compensation – and other short and long term advantages such as training and promotion.

The firm’s performance whether poor or strong is in a large scale related to the HR performance, the HR is responsible for sourcing and bringing the best candidates, for training them – planning internal or external training, after identifying the training need –, for evaluating them; using

[2] L.CADIN, F.GUERIN et F. PIGEYRE, Gestion des ressources humaines, 3eme édition, Dunod, France, 2007, p 5.

evaluation interviews and questionnaires or through their Key Performance Indicators that are put in place every year to measure each employee’s performance.

The HR today is very crucial and a key function to define any firm’s success. We can say that Human Resource Management is a complete system that includes so many different activities and tasks and that need different skills and competences to be achieved.
The human resource management with its activities and tasks has two different types of objectives: functional (motivate current employees, attract new skilled candidates, retain employees with satisfying performance…etc.) and organizational (apply the law, enhance the social climate, raise productivity…etc.).

1.1.2. Human Resource domains

As previously discussed the HR is a very crucial function, and due to its importance the HR function is split into over ten domains, above are mentioned the most important ones :

- Skills management & strategic workforce planning
- Training
- Communication
- Remuneration
- Payroll
- Human Resource Development
- Operations (Admin & social correspondence)
- Recruitment

1.1.2.a. Skills management

A skill or a competency has been for a long time considered as the capacity of understanding or doing something, today «Being competent, is more and more becoming the ability to manage a complex situation[3]». (Le Boterf, 1994)

For LeBoterf we can conclude two findings of the genealogy of skills:

From a professional point of view the concept of skills only took a place importance after the 1970s and only after this period the concept of skills started to be taken as a qualification requirement.

[3] Le Boterf, G. (1994). De la compétence : essai sur un attracteur étrange. Paris : Les Éditions d'Organisation

From another point of view that treats the content of skills management, it will be absurd to say that companies and organization waited until the 70s to starting taking care of this point. Since longtime ago companies always tried to improve the competencies of their employees using different ways and methods such as training. So it is not new that employers always are looking to recruit the best. The only difference and the new thing is how much and how big the skills management became important to recruiters.

We can distinguish between three groups of skills management: Individual skills, collective skills and organizational skills.

1.1. Individual skills (Individual employees)

In theory and also within companies an expansion of definitions exist that can present and define the concept of skills. The triptych ‘’Know, know-how and interpersonal-skills‘’ represents the best definition of the concept skill.

Individual competencies or skills can be defined as a set of structured and mastered practices, and knowledge that people gained through training and experience.

The definition of Le Boterf (1994) seems very exact and has the right characters of the concept individual skills; «A skill is not a state. It is a process… the skilled operator is the one that is able to mobilize, to enforce in an effective way the different functions of a system and involve divers resources in reasoning operations[4]» (Le Boterf, 1994)

Real skills are singular constructions specific to each one. To face a specific situation such as an event, a problem or to realize a project… etc, each person has his own way to deal with each situation using different assets and means.

No matter the definition that we can take but there is no consensus to the concept of individual skills. Though it is better described in three dimensions; the knowledge, the know-how or the practice and the interpersonal skills or attitudes.

The knowledge is related to the group of structured information attained that allows the company to drive its activities and practices in a specific context. The knowledge contains the access to external information and the ability to receive and to transform information into clear and understood schemas.

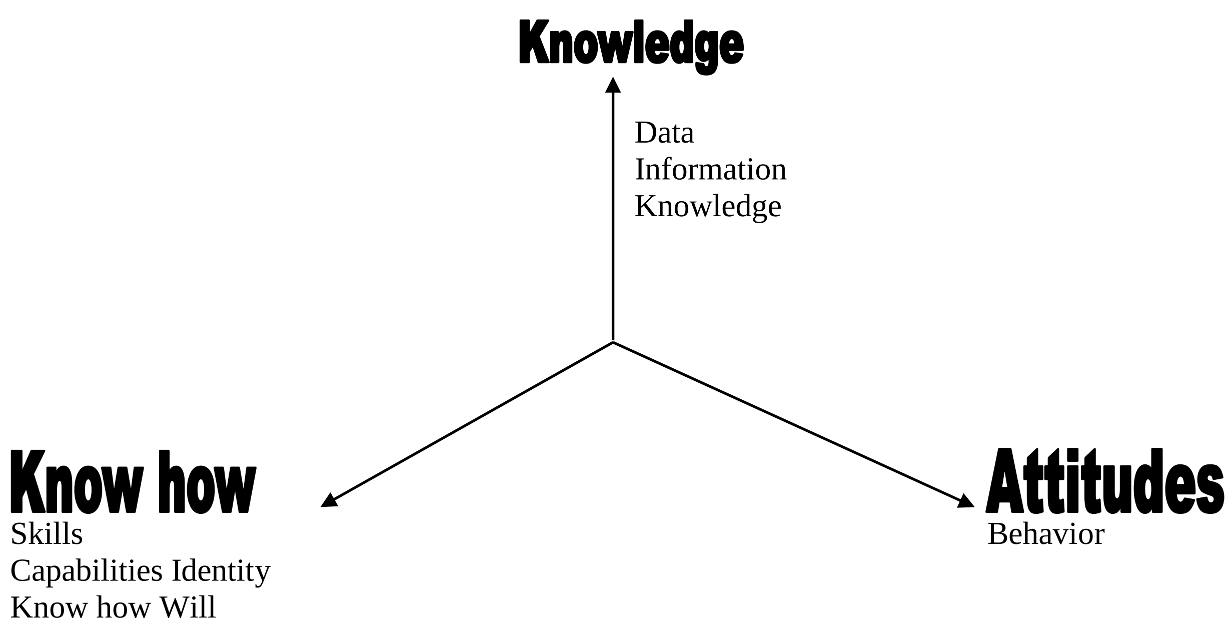
[4] Ibid.

The practice treats the capacity to react in a predetermined way for predetermined objectives, this doesn’t exclude the knowledge but it can happen where it doesn’t need a fundamental knowledge on how some things function.

The attitudes or the interpersonal skills seem to be much neglected where the perspective is based on the source or the on the theory. «This may be due to the traditional lack of interest of economists in behavioral and social aspects[5]». (Durand, 1996) Behaviors and attitudes can also represent the capacity of an individual.

«It is not sufficient to have a list of knowledge, know-how and interpersonal skills to be known as competent» (Le Boterf, 2006)

Three dimensions of competence **Figure 1**



(Durand, 1996)

Based on Le Boterf it is important that companies and organizations have their definition of the competence.

[5] Durand, T. (1996). The Alchemy of Competence

1.2. Collective skills

The definition of collective skills differs from a company to another, but most of them they define it as a sum of individual skills, «Collective skill represents the skills that a group has and it characterized by six attributes: a common representation, common repos, a shared speech, a collective memory, an engagement and a goal to reach». (DEJOUX, 2013)

It is not true when we say that collective skills are independent from individual skills «Collective skills are an emergence and an effect of composition. They are the result of cooperation between individual skills[6]». (Le Boterf, 1994)

So many employers believe that collective skills can bring more prosperity to their companies through the shared work efforts that each employee deploys under the pressure of competition between a team's members. Human resource managers think that employees would afford more efforts while working in a team because most of them believe on the promotion opportunities that the team work offers, it is the place where most employees seek to be noticed, team work will also push employees to develop new skills under the factor of competition. What makes collective skills a key of success in a company is that employees can corporate between each other to create the collective skill which is the sum of individual skills that each employee possesses.«The participants implement their own individual skills, based on links that weave, anterior relationships that link people, of their motivation and personal objectives, they create collective competences of their own group» (Dejoux, 2001)

According to Retour and Krohmer, collective competence is composed of the following:

- **A joint representation:** collectively, commercial engineers they elaborated a common or a joint representation that contains the needed docs to be asked from clients.
- **A common repository:** a model of specification was established around a common repository and steps to be realized.
- **A common language:** commercial engineers have their own way of speaking through client numbers, technical terms and codes.

[6]G. Le Boterf, De la compétence : essai sur un attracteur étrange ,op. cit., p9

- **A collective memory:** an engineer who commercializes the first a new technology, gains an expertise that he can share with another engineer that later on commercializes that technology, and so a transfer of a competence.
- **A commitment:** each engineer is responsible with the management of his affair and his client.
- **A goal to attain:** each engineer must finalize his order and supervise its execution.

(RETOUR & KROHMER, 2006)

1.3. Organizational skills

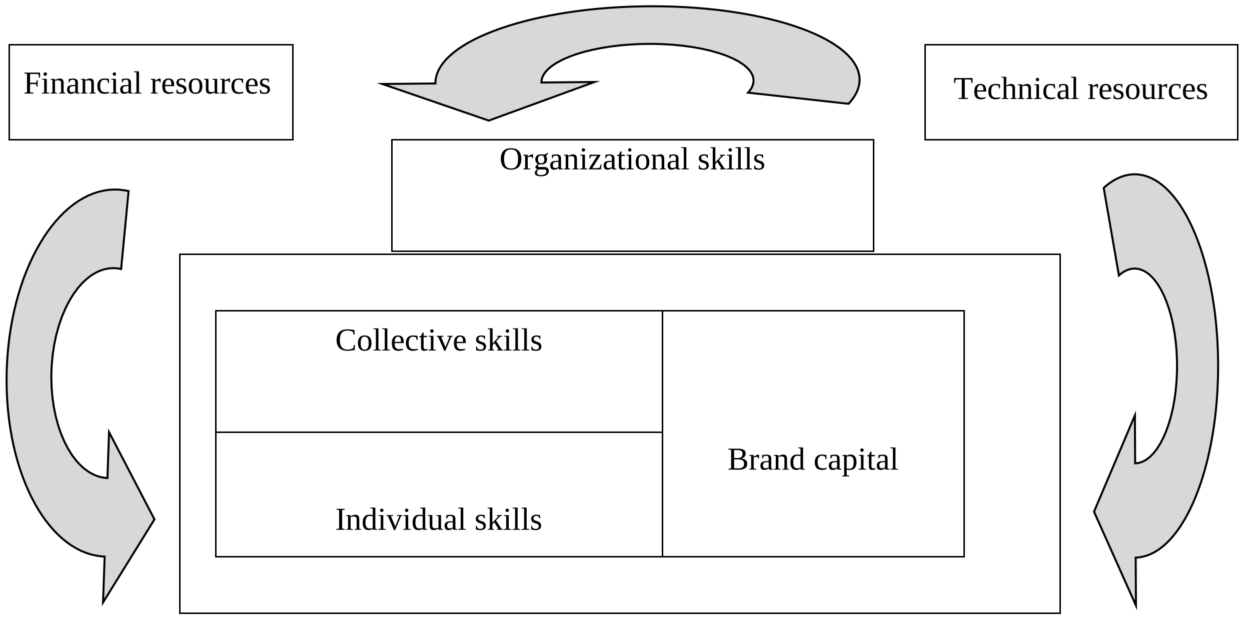
This represents the company and its performance, «Organizational skills are considered as the cornerstone of the resource-based view» (Arregle, 1995). The resource – based view helped in giving a new path in combining the enterprises and the Organizational skills in one scope. It takes in consideration all the enterprise’s resources.

The organizational skills are a specific resource that belongs to an organization such as the financial resources, technological resources and scientific creations to achieve the company’s activities and objectives based on its strategy. «The rapprochement between HR and strategy in the 80s was favorable field for the emergence of organizational skills concept[7]» (DEJOUX, 2013)

(Nelson & Winter, 1982) define organizational skills as divisible routines. « the term 'routines' seems to refer most to recurrent interaction patterns, that is, collective recurrent activity patterns. As opposed to that, recurrent activity patterns on the individual level best fit the term 'habits'» (Hodgson, 1993) From this we can understand that collective skills are an asset or a group of means and ways that the company uses to achieve its aims, and here a habit refers to what the company is used to and what its employees possess to execute the daily routine work to keep the same performance.

[7] C. Dejoux, Gestion des Compétences et GPEC , op.cit. 12

Organizational skills **Figure 2**



(Dejoux, 2013)

The organizational skills are a combination of different assets adding to this the individual and collective skills within the company. «A firm is defined compared to its tangible resources (financial availability, industrial tools) and intangible (reputation, know-how, employees' skills and groups and teams' skills). Organizational skills permits to put in relation those different resources in order to attain a certain performance[8]» (DEJOUX, 2013)

And here comes the HR role with what we call skills management and it is the art of managing, organizing, identifying and deploying a group of talents and competencies in a group or in a specific employee for a company to best ensure its long lasting performance. It is an ongoing process during a company's life where employees can be tested and retrained at all to time to guaranty a certain level of sustainability in a very fast growing market.

[8] Ibid., p25

The appearance of skills' management is linked to a deep change on the nature of work, it became very important to internal and external agents. Skills' management became an asset that investors pay huge attention to before engaging in any relation with the firm. All this pushed companies to invest more and more on their staff members however this is working on favor of employees too and now days employees are gaining more skills than before which is the thing that is pushing them to become more instable and move from a company to another hunting opportunities worldwide but unfortunately this doesn't work on favor of the company since it will be obliged every time to train new employees to do the job properly and to always keep its image to attract new investors and clients.

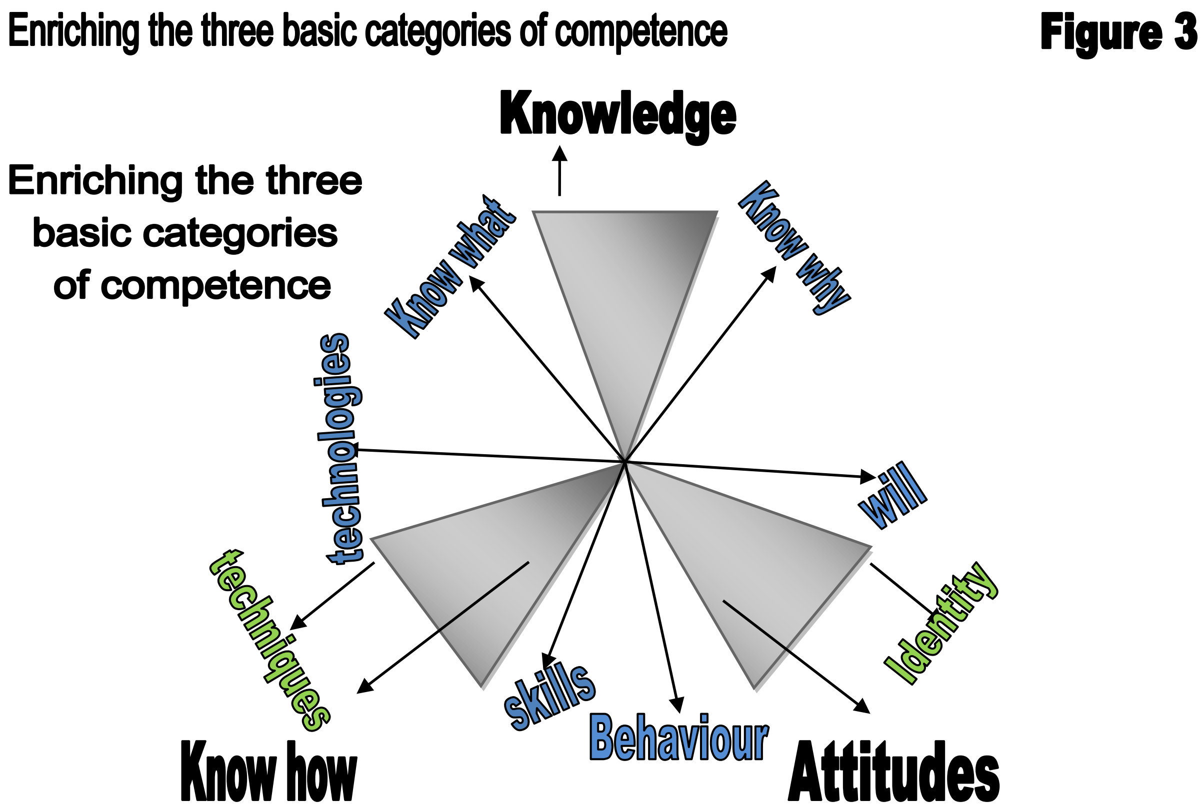
1.1.2.b. Training

Training is the heart stone of learning and reinforcing previously gained skills, it is an extreme necessity for each employee during all his/her career, there can't be an advancement or development within the employees' skills without training. In order to save competences and develop new ones the firm has always to keep training its employees «A competence is not acquired, it is a built constantly becomes just reinforcing actions of training in order to continue existing in the present and the future[9]» (DEJOUX, 2013) As it is an extreme necessity for each employee to stick with fast growing and advancing technology it also became an extreme necessity to firms and it represents high importance to not only to human resources but to all firm's managers.

Training gives employees the chance to discover the new technologies and ways of working, and this would give them a push to increase their performance and the last will be reflected on the firm's results and gains.

Training must include all sides of learning, not learning about new ways of working and new technologies but also must include the reinforcement of the previously acquired skills.

[9] Ibid., p90



(Durand, 1996)

Training is to be planned essentially by the HR department, and any training plan must respond to both the employees need and the company's objectives. The training delivered to employees whether internal or external should have an impact and an added value. In order to have the best training possible, and a training plan that meets the business expectation, the HR is requested to work and collaborate with the targeted departments in order to understand their training need and the lacks they and they want to work on. Department managers are supposed to work closely with their team members to understand their lacks and training needs. After understanding the training needed for each department and each employee, the HR department starts working on the training plan.

The training plan includes many details, such as whether the training is supposed to be internal or external, if internal what means should be deployed for this training and what the period of that training, if external the company should first with choose with whom to work, and even sometimes the company chooses the trainer to ensure that the training is delivered under great

conditions. After each training a training evaluation form should be delivered to employees so they can assess the quality for the training.
Any training provided by the employer has an objective, and if that training doesn't fulfill its objectives, then the HR has to adjust its training process in order to respond the best to the company's needs.

1.1.2.c. Communication

Internal communication with its two dimensions; individual and collective and is an important mean in spreading the company's culture and creating an appurtenance feeling, as it also plays a role in helping the staff to understand the company's objectives and aims; besides the fact that having a communication process helps to spread the information rapidly that helps afterward to push the staff to react also rapidly and be result oriented.
The existence of a communication department is primordial for the best functioning of the company; communication helps the staff members to be more efficient
The absence of a communication system in any firm means lack of information, and the lack or the absence of information means lack of reaction and that leads to different losses mostly crucial for the company's activity.

1.1.2.d. Remuneration

Elaborating a competitive remuneration system or policy is the first challenge that any firm or startup faces, because it represents the number one factor that motivates and attracts most candidates. Usually most candidates are most interested with negotiating their salary for the role that they will occupy and look also forward knowing the firm's compensation and benefits system.
Any remuneration system must take in consideration with huge care, the skills and qualifications needed for each function and the exact compensation for each skill or in general the function.
It is very important for the remuneration system to be fair and competitive in order to retain the firm's staff and strengthen their appurtenance feeling.

1.1.2.e. Operations (HR Admin)

Operations management or HR administration is the role of workforce management and it's about managing a certain number of daily tasks and activities that impact the employees' professional and personal life.

These tasks vary from managing new employees contracts, checking, and approving leave requests – paid and unpaid –, handling sick leaves and be the contact point between Social services and the employees, work relation termination and retirement planning.

Be in charge of this role requires a strong knowledge of wok law and regulations, an HR administrator plays the role of an employee advisor and a support to the other functions, he is supposed to provide the needed help for core functions to achieve the business's targets, such as providing travel orders mission fees note on time so they can be on time for their missions.

Human resource administration is mainly divided in four activities: Payroll management, social correspondence, administration (annual leaves, leave requests, travel orders…etc.), recruitment can also be considered as part of the administration even though that is sometimes considered as an activity of the HR management.

1.1.2.f. Human Resource Development

«The part of human resource management that specifically deals with training and development of the employees. Human resource development includes training an individual after he/she is first hired, providing opportunities to learn new skills, distributing resources that are beneficial for the employee's tasks, and any other developmental activities[10]»

The HRD is the process that comes directly after hiring a new employee and follows up during the life time of an employee's career, it includes training for the main position but it provides more than that a lot such as helping employees to develop their personal and organizational skills, During this time or this process the human resources management informs or leads the new employee to available learning opportunities where the employee can learn more about the company and its departments, about the company's external relations and overseas existence, it also provides networking opportunities through different activities, and according to Susan M.

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[10] [(Business dictionary, n.d.)] [March, 27th 2017] at 10 p.m.

Heathfield «the HRD includes such opportunities as employee training, employee career development, performance management and development, coaching, mentoring, succession planning, key employee identification, tuition assistance, and organization development[11]». (Heathfield, n.d.)

1.1.2.g. Recruitment

Recruitment is the activity of finding and attracting new candidates that are willing to join the new business, and interested in working for that business and be willing to achieve its objectives. Having a recruitment process is primordial to guarantee that an efficient activity, and to be able to reply to any recruitment need in time.

Section II: Recruitment

1.2.1. Definition of Recruitment

«Recruitment refers to the process of attracting, screening and selecting qualified people for position within an organization. Recruitment is an important management activity in securing an effective workforce. Good recruitment is about finding the right person for the job and has implications for business performance, image with customers and industry, staffing levels and profitability[12]» (Recruitment and Employee Retention strategies, 2010) so recruitment is consisted in finding and bringing the right people to the business so they can have an added value and help to realize the company's aims, recruitment is not an exact science and has its risks and issues, risks that can vary from less important to very important – when the recruitment concerns a key position – and for that companies with their HR experts try always to develop new process and adjust the lacks. A clear process can help to have right recruitment in no time with fewer costs. So recruitment is finding the ideal candidates that match the company's need and make them join the company.

According to Lewis (1985) recruitment is:

«The activity that generates a pool of applicants, who have the desire to be employed by the organization, from which those suitable can be selected». (Lewis, 1985)

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[11] Susan M. Heathfield, Human Resources Expert. [http://humanresources.about.com/] [March, 27th, 2018] at 10:13 p.m.

[12] Yukon Government, Canada, Recruitment and Employee Retention strategies, 2010, P8

1.2.2. Recruitment process

A good process of recruitment can't exist without following a series of «six steps[13]» (Martory & Crozet, 1984)

1) Defining the job position

We must define the company's needs, and the requirements for the potential job position that the company will offer in order to have a clear job description that will help the recruiters to find the best fit for that position, if a similar position already exists all that must be done is an adequate verification if that the requirements and the qualifications for the existing position are the same with the potential position or not. In all the cases the HR must check with the upper hierarchy of the position to confirm the exact needs for that specific position because in certain cases some similar positions don't require the same qualifications and qualities. In order to have the best mach there must be a very clear and detailed job description. (Martory & Crozet, 1984)

2) The position's and the candidate's profile

We must align the position's qualities from the job description such as (Required level of education, skills, experience and languages…etc) and also align the ideal candidate's qualities such as (distance from work, age and years of similar experience…etc) and sum up all the those qualities for all the candidates in order at the end to have the best match. (Martory & Crozet, 1984)

3) Candidates search

Now days there are so many means and tools to search for candidates, but mainly recruiters follow two steps to find the match for the opening position. Recruiters start with the internal search which means that recruiters start looking for the best fit through analyzing the available skills and candidates inside the company and only after not being able to find the best fit among the company's staff – sometimes it's not the case, it always depends on each company's recruitment policy and short and long term recruitment objectives –, the recruiters start the external search which means from outside the company, that takes longer time and more resource, for certain profiles we can find qualified candidates for the position very easily but other profile it takes a lot of energy and efforts to find the ideal candidate or

[13] Martory B, Crozet D, (1984), Gestion des ressources Humaines, Paris Fernand Nathan, Coll. P. 37.

at least a match, because for certain profiles people can more stable so they don't search for new opportunities, which makes it difficult to find the ideal candidates and that pushes recruiters to find other means of sourcing that can help them to source a bigger number of qualified candidates. (Martory & Crozet, 1984)

The internal search: usually available or opening positions are firstly offered to the firm's staff under the policy internal mobility or promotion and those staff are considered as candidates. This also explains the fact that even being an employee at a company doesn't give the full privilege to move freely from a position to another but there must be a selection process, the selection process is put in place guaranty a certain level of equity between employees, because internal mobility can mean in most cases salary raise or even a better position with more responsibilities, and that attracts a considerable number of internal candidates, from which there must be a clear and an equal selection process that gives the same chance to all staff members. (Martory & Crozet, 1984)

There could be different forms of internal recruitment:

- The existence of a succession plan where the potential candidate has been previously evaluated through different forms in order to test his ability to occupy the position in the future.
- The annual evaluation of the upper hierarchy could also play a great role to help in pre selection of an ideal candidate for a potential position, especially in the case big firms.
- Direct interviews with the staff could be another way to select an ideal candidate.

The internal search gives the firm's staff the opportunity to jump into a new position and a new experience and mostly this position is higher than the previous position that the candidate occupied. From this we can understand that the internal search is a great tool for indirect promotion and it offers a great a chance to employees to move forward in their career. Though this can't be always a great way to fill in new positions, in certain cases companies will need new skills from the outside environment but the internal search will limit this and the company won't benefit from new talents. (Martory & Crozet, 1984)

« Recruiting from internal sources was proof to carry several benefits. It acts as a great motivator that encourages current employees to improve their performances for better career opportunities. The attrition rate is lower, as the recruitment, selection and induction costs and pending time reduce greatly. Besides, the mutual knowledge between the employee and the organization eliminates major risks associated with new recruit. The transferred or promoted employees also understand company culture, which helps them to adapt quickly to the new positions. Nonetheless, the number of appropriate applicants from internal recruitment process is quite restricted. These applicants are familiar with company culture, so they neither bring new way of thinking nor fresh atmosphere to the company. Outside applicants who are very new to the company have more chances to create new values along the way of culture adoption. The selection process also needs to be fair and transparent. Ambiguous process may result in resentfulness across the organization ». (Martory & Crozet, 1984)

The external search:

After not finding the best fit through the internal search, and not forgetting to mention that certain firms choose to use directly the external search due to different factors, recruiters start their new selection process through the external search using different tools such as (internet – social and professional websites such as Linkedin, employment fairs, universities recruitment fairs and presentations for available positions, recruitment offices and agents, headhunters…etc)

The external search process follows different steps:

The pre-selection process: where the recruiter in some cases with the help of the line manager due to his better understanding of the job position especially if the position requires many technical skills, in some cases recruiters are specialized in a specific field due to their knowledge of the field and its technicalities, they put aside the vast majority of the applicants and they only leave candidates that match exactly the need that have the required skills and competences, and those are to be called for an interview or in some cases an assessment day. The elimination of the applicants or candidates during the pre-selection is based on their motivational letters and mainly their CVs (Resumes).

The recruitment decision:

mostly it is the upper hierarchy's decision or in some cases the recruitment committee's decision to decide which candidate to be chosen as finalist for the position, this is always based on the face to face interview that the upper hierarchy takes with the candidate and the evaluation of all the participating parts in the recruitment process, and sometimes an admission test is required and this could be crucial. Recruitment interviews are put in place to give to the line manager, the

HR, or in some cases the recruitment committee the chance to meet the potential candidates and identify their domain of expertise and their skills, and most importantly their communication skills and their ability to introduce themselves and to talk about themselves and what they do, an interview can show in the first place how much does the candidate master his domain or field of work, also it serves to confirm whether the candidate is qualified to do the job or not.

4) The employee's integration:

   After finding the best fit for the position here comes the first step on the post-recruitment phase, the upper hierarchy puts in the candidate's hand all the necessary tools and means to help him/her understand how does the company function and what are the steps to follow during each operation. In some companies new employees are put into a training period where they can learn about all the security measures, HSE and other elements concerning the daily routine.

   An induction program is in most cases necessary to introduce the best the employee to the work environment and avoid any confusion or misunderstanding, and assure that the employee is ready and understands how the company functions.

5) Probation period:

   Recruiting a candidate is a very long and tiring process that consumes both time and money, and for that we need to ensure the most that that employee can pass the probation period successfully. Sometimes it doesn't just depend on employee to pass his probation period but also on the company. Any new employee would the needed support to pass his probation period and stay an employee for a longer and enough time, a time that permits for both the company and the employee to benefit from that investment – the recruitment process.

   Many means are there to guaranty a successful probation period, some companies they prefer to provide a buddy or a coach for each new employee that can help him to best integrate his function and do his job, and in some cases that buddy or coach is awarded if the new employee passes successfully the probation period. Other companies prefer to do evaluation interviews once or twice before the evaluation period ends and advise if any adjustment or support is needed.

Conclusion of chapter one

Finding and recruiting the best candidates is not easy and sometimes is a very long process, and having a clear and a written process is crucial for any recruiter, process changes or recruitment methods or ways changes during a recruitment mission is not advised and is not suitable and can make the company lose so many candidates, because candidates are always cautious when it comes to changing their job even if it means more money and more advantages, because they know the risks that take when they change their job.

Achieving the recruitment is a great step, but it only represents one step in the whole thing. Probation period is put in place for both, the employee to assess the employer and for the employer to assess and evaluate the employee, and for that the company must give a great care and importance to each employee’s probation period and provide the necessary means to make that last a successful one.

The recruitment mission is once achieved when the probation period is successful, and here the HR goes to a new mission called retention, here the employee is familiarized with the company and knows his job, but external job opportunities are always there and employees are always tempted by those offers, and here is the biggest challenge of the HR.

The HR department is called to work on different policies and process that help to retain the employees for a longer time and to do that they need to understand the employee’s needs and aspirations.

Chapter 2: Retention

Introduction

« Hiring an employee is only a first step. Building awareness of the importance of employee retention is essential. The costs associated with employee turnover can include lost customers and business as well as damaged morale. In addition, there are costs incurred in screening, verifying credentials and references, interviewing, hiring and training a new employee. The direct and indirect costs associated with employee turnover can range between 70 and 200 per cent of salary[14]» (Edmonton, 2003)

Indeed recruitment is only a first step toward building a company's staff, and human capital. What's most important and more difficult than recruitment is retention. Retention is the ability to retain employees as long as possible to attain the company's aims. Retaining employees is not as simple as it appears, for any business or company if they wish to retain their employees, they need to make a lot of efforts in that way, to do so, retention strategies must be put in place and a big consideration to employees must be given.

Having a high turnover may bring the company to high risks such as instability both internal and external, in all cases the company's image is in the hand of its employees, they are the one to meet with the external partners whether clients or suppliers. They are the one to hold the company's culture and defend its interests. To do so any business must guarantee a stable staff with a strong knowledge of the company's culture, aims and objectives.

Section I: Employee Turnover

2.1.1. Definition of employee Turnover

Employee turnover means the rate of leaving employees and those replacing them or in other words the rate of resignations and integrations in a certain period. Price (1977, 10) considers turnover as the ratio of the number of employees who have left the firm to the average number of workers in a given period[15] (Price, 1977). Later on, Abbasi and Hollman (2000, 333-342) define staff turnover as the rotation of employees within the labour market, between employment and

[14] Edmonton, A. (2003). *Finders & Keepers, Recruitmnet & Retention.* Alberta, Tronto: Alberta Human Resources and Employment, p5.
[15] Price, J. L. (1977). The study of Turnover . *Iowa state university Press* , 10.

unemployment state[16]. Under management's point of view, turnover refers to the entire process to fulfill a vacancy. Each time an employee leaves, a new employee needs to be hired and trained to replace the old one and ensure the working flow. Turnover rate is also used as an indicator to measure employee relation effectiveness in an organization.

Even though it is sometimes considered a good thing to have a high rate of turnover in some businesses, because in those specific businesses or functions such as commercials, the goal is to have a new spirit and energy in order to boost up the business, thinking that this is the best and easiest way with approximately no cost, but of course this is a completely wrong thought according to some authors and experts. Having a high turnover may affect negatively the business's activities as it also may affect negatively the rest of the staff and their performance, a lot of losses may also be associated to high turnovers. Losing staff members means a halt of activity in their positions which means a financial loss, and in order to fill in again these positions are costs are associated such us recruitment cost, and losing staff members means in most cases losing talents that are hard to find and based on that a retention strategy must exist to manage the turnover rate.

Staff turnover is due to many factors might be internal or external, and it can be divided into two categories planned and unplanned turnover; turnover rate is planned when the company plans its potential recruitments and integrations and also its new employees' unsuccessful probation periods or those to be fired during probation period due to lack of performance or voluntary resignations that are negotiated with the HR – voluntary departure can affect the company very badly if they don't meet the intention and willingness of the company. Mostly in the previously mentioned cases the turnover is normal and can be controlled. Turnover can also come in an unplanned way where employees decide to resign from the company for any reason which affects heavily the company functioning.

When a departure of an employee is planned by the company or meets the company's intentions it is called functional and when it is the opposite the departure is dysfunctional.

[16] (Abbasi & Hollman, 2000, p. 333)

2.1.2. Key factors of employee turnover

To avoid high unplanned turnovers, companies need to define existing reasons that may push employees to leave or to spend time looking for new opportunities, and this is very important to be done in order to manage the turnover and to guarantee certain stability. It is more easy than done, mostly staff members are not to open to talk to high management about difficulties they face or mostly about things they don't like in the company, in order to avoid being in a delicate situation and the ideal solution for them is start looking for opportunities elsewhere where they can find what they're looking for, and in this case exit interview are the only mean to understand the reasons of resignations, but exit interviews are made only to prevent future resignations, and sometimes it's very important to prevent those happening now, and for that companies need to define the key factors of employee turnover and mainly key factors that push employee to resign.

We must first distinguish two types of factors – internal and external –, the internal factors are the ones that can be managed easily by the company if it's willing to retain its employees.

(Torrington, Hall, & Taylor, 2005) divides the drives of turnover into four categories:

- Outside factors

These factors are associated with situations that employees have no control on and they leave for reasons that are unrelated to their job conditions. For instance, people leave or quit because they need to move to a new city for their kids education and so they need to find another a job in the city that they are going to settle in and in this case the resignation has no relation with the work conditions; in some cases women are obliged to leave work because they need to take care of their children, there so many external reasons that push employees to quit and that have no relation with the company itself and in this case the company has no control in retaining these people, because they are forced by other reasons. These factors are beyond the control of organizations and unavoidable. Nevertheless, in necessary cases, the management can reduce the shock of sudden by being more flexible and provide different choices to employees, such as part-time or remote working.

- Functional turnover

Functional turnover is what we briefly defined above and introduced by the name of planned departures, sometimes departures are planned by the management for instance; unsuccessful probation periods, or also resignations that are welcomed by the management (employer) and don’t affect the employer’s activity.

In this category we can mostly refer to departures that are due to lack of performance or integrity, sometimes employees face hard time to adapt the company’s culture and that pushes them forward to quit the company or to fail their probation periods.

Even though that these departures are planned or even welcomed sometimes by the employer, but they also have their affect and they might be harmful in certain ways, because at first these recruitments represented a cost to the company (recruitment cost), and that’s considered as a wasted investment, and what’s worse the company sometimes is obliged to pay in the case of what we call voluntary departure with a departure check.

The main solution to reduce turnover rate of this group is improve recruitment and selection procedures, to ensure that people assigned to specific positions are capable of doing their job in the first place. A minor part of this category is not because of employee’s lack of ability, but lies in organizational factors such as management scheme changes. Usually, changes result in new pressures and workplace ethics that are hard for the employees to adapt in short time.

- Push factors

When employees are unsatisfied with the management, and when the employer pays no longer no attention to his human capital, people start to think about leaving because they feel ignored and even neglected, it is a delicate situation to have an employer that he is not a human capital oriented and only thinks about making benefits, the feeling of appurtenance is very hard to build and in order to do so employers need to spend a lot of time in putting procedures that permit to the employees to feel taken care of, for instance, we can cite :

- Strong benefits & compensation system
- Competitive remuneration system,
- Career planning,

- training
- Development and promotion opportunities
- Employee involvement

Many of the cited above can be put in place to prevent employee dissatisfaction and afterward a high turnover. These issues can be addressed and solved in advance; however, many organizations fail to do this because they do not have any procedure to explore signs of dissatisfaction at early stage. The employees who are unhappy with their jobs have no chance to communicate their opinions and feelings with management; naturally, will try to seek for a better working place elsewhere.

When an employee decides to leave, it is very hard to convince him to get back on his or her decision, and it will be very unfortunate to see talents leaving.

- Pull factors

While push factors are internal problems that derive from within the organization, pull factors are those forces that come from rival employers.

Talented employees are always the aim of every employer, and the fact that real talents are so limited in the labor market makes the recruiters task very hard to achieve, finding and attracting good talents has been always a very hard task, and to do so employers need always to offer something that may attract their interest; a good package is no longer enough, even though it stays always an important factor, but it is no longer enough alone. Nowadays talented employees they look the most for the company is offering in the short and long term and what can they achieve being with that company (personally and professionally).

Better living standards have always been an aim and an objective to any employee and from that an employee builds the idea and the thought of changing his job, and he or she starts looking for a new opportunity that offers these conditions.

Many factors besides the financial one attract employees to new opportunities such as joining a new team, changing the work atmosphere, having new challenges, working in a new field and the reasons are endless. In order to avoid losing talents because of these pull factors, the organization has to pay strict focus to two main lines. First, strong awareness of what competitors are offering is significant (benchmarking), and for adjusting current-offering packages accordingly.

The second requirement is to ensure that the employees are satisfied and they appreciate their current benefits package. This calls for effective communication with the employee, to listen to their expectation and help them aware that the unique benefits the organization is providing cannot be found in any other places

2.1.3. Job Embeddedness model

The Job Embeddedness model was introduced by Mitchell in 2001[17]. The model is based on Kurt Lewin's field theory and the psychological concept of embedded figures. Field theory asserts that human interactions are affected by both proximal and distal connection in their life space. Embedded figures in psychology are the figures that appear to attach to the backgrounds tightly and that are difficult to detach (Besich, 2005)

To name the model Embeddedness, (Mitchell, 2001) explains this word like «a web or net in which an individual can get stuck. » If we apply this to an organizational context, this would mean that employees are connected firmly with the organization; thus, it will be more difficult to make decision regarding leaving if the need conditions are available and employees expectations are met, in this case employee become firmly attached to their companies and won't leave easily. (Mitchell, 2001) states that Embeddedness construct has three dimensions.

1. Organizational fit, which is the congruence of employee's personal values and goals to those of the organization, and how employees' abilities and knowledge support this compatibility. The greater the compatibility is, the greater the fit. Organizational fit is an important variable in recruiting and retaining employees. The increasing level of organizational fit comes along with the decrease of turnover and voluntary resignations.

2. Organizational links, which is the degree to which employees connect to other people and engage in different activities in the organization. In Embeddedness model, these links are

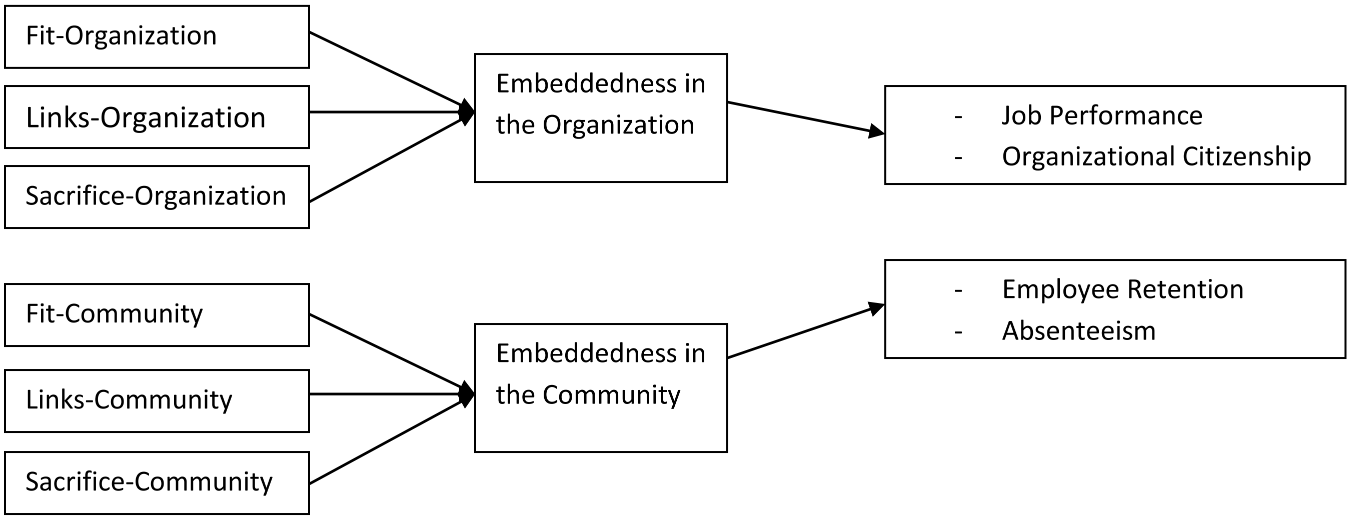
[17] Mitchell, T. (2001). Why People Stay: Using Job Embeddedness to Predict Voluntary Turnover. *The Academy of Management Journal*

considered as the strands of the web. It is believed that the stronger the links are, the more embedded the employee may become (Mitchell, 2001).

3. Organizational sacrifice indicates the tangible or intangible benefits that employees have to give up in case of leaving. The tangible benefits include pension package, bonus, while intangible sacrifices refer to seniority, chance to work with great colleagues. This dimension identifies how the employee perceives the financial and psychological loss associated with the departure. The significance of those benefits vary from one employee to another, depending on factors such as their current financial situation, life goal, etc. (Besich, 2005)

Unlike previous models, which mostly studied the attitudes and perceptions of employees, Embeddedness focuses on organizational aspects and the fact that management has more influence. This model takes non-work factors, such as religious and community activities, into consideration. It also includes new facets of organization, such as teamwork, project groups, and other work-related connection. The significant improvement of the model compared to traditional ones is taking the assumption that people may leave by many reasons apart from being dissatisfied or some attitudinal justification. (Besich, 2005)

Figure 4: Second Generation Job Embeddedness Theory



Key findings: after controlling for job satisfaction and organization commitment

1. Embeddedness in the organization predicts job performance and organization citizenship behavior
2. Embdeddedness in the the community predicts voluntary turnover and absenteeism

(Lee, Mitchell, Sablynski, Burton & Holtom, 2004)

2.1.4. The impact of employee turnover

It is today a large debate whether high turnovers are healthy for businesses or the opposite, many think or believe that high turnovers have a positive impact in businesses, they believe that integrating regularly new people to the company in replacement of those who left means adding new energy to the company, mostly new staff members come to their new job very motivated and with the willingness to take challenges and prove themselves and their capacities to their employer and that what makes employers sometimes think it is good to have always new people in the business and not try to retain those wanting to leave. Unfortunately it is completely wrong to believe that having a high turnover means being energetic and ready for challenges, and that's due to the fact that new comers are not really ready to be productive whatever is their experience or expertise, because joining a new business is in itself a challenge, and it may take time before a person becomes ready to product, and that's based on the fact that many experts tried to develop integration and induction process and programs to help new comers join rapidly, but any employee needs at least a two months period of time to know the people, to understand the business, to meet the clients and get to know them, to meet suppliers…etc, it may sometimes take up to six months for someone to be ready and fully integrated. We do sometimes renovate probation periods and that's mainly due to lack of performance; we can associate that lack of performance in many cases to failure in integration, and all that is wasted money and time.

It costs a lot to employers when an experienced employee who masters his job quits, because when someone leaves, it means that the job position will be vacant for at least month sometimes more, and when the position is filled, it needs time for the new employee to be performant as it is explained above.

It is advised to have acceptable turnovers in a management level and that's to allow new ideas come into the organization and it is the best mean to accelerate changes in the organization, usually when new people for leadership positions come, they bring with them a person that they know, and that are confident of his performance.

In any company a turnover is a must, it's a thing that must exist to boost forward the business, but only rational rates of turnover are accepted, high turnovers are mostly a sign of bad management. Having so many people leaving the company can impact heavily any company, because when people start leaving, they will intentionally or unintentionally grab so many others with them, stability is a must, and when employees start seeing their colleagues leaving, they will start feeling unsafe for so many reasons, and as soon as an employee starts feeling unsafe, he or she will start thinking about leaving and that can double the number of people quitting.

In a long term is also very risky to have high turnovers due to lack of management or employee dissatisfaction, because fast enough you will have many people in the market labor talking about your company and that restrain good talents from company or applying to your job openings «When people perceive the organization with poor image, it is more difficult to attract good employees in the future[18]» (Torrington et al. 2005, 167)

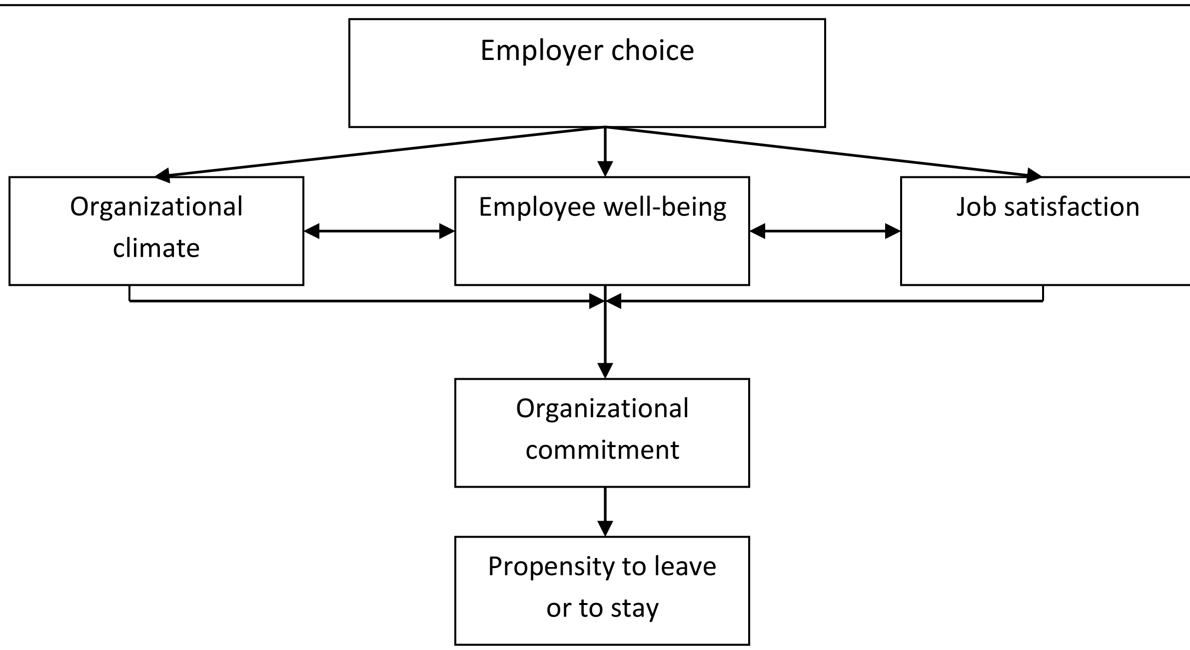
In all cases it is better to have a lower turnover, with that you can guarantee having a stable staff, people that adapt the company's culture and code of conduct, people that are willing to stay and work forward achieving the company's targets.

[18] Torrington, D., Human Resource Management. Op. cit., p 167.

Torrington et al. (2005, 168)[19] propose that the decision to decrease turnover varies from organization to another. «The level of damage that the employee turnover can cause varies based on many factors, such as the industry the organization operates in. For instance, a chain of fast food restaurants successfully manages its business with a turnover rate that exceeds three hundred per cent, which mean employees stay for approximately only four months» (Ritzer 1996, 130; Cappelli 2000, 106). However, in special industries where employees need to establish and maintain personal relationships with customers, a turnover rate of 10 per cent is enough to cause damage.

Based on the above it is in most cases very important to maintain a lower turnover, and in order to do so it requires the company to put in place a retention system that takes in consideration all the factors.

Figure 5: Veldman's employee commitment model



Factors that affect the retention managerial and specialist staff: an exploratory study of an employee commitment model.

(Kotze, K., 7 Roodt, G. (2005))

[19] Ibid., p168

Section II: Employee Retention

2.2.1. Definition of Employee Retention

«Retention is the employer's decision or choice to keep his staff members by promoting the work employers to create and foster an environment that encourages current employees to remain with the organization[20]» (Recruitment and employee retention strategies, 2010).

In order to apply employee retention there must be retention policies and strategies to follow, and each company requested to have its own strategy, a strategy that is adapted and replies to its employees needs. Usually employers use financial incentives and advantages to retain their employers, indeed it works most of the time but it is not longer the only way to retain employees. In many cases nowadays employees they look more for recognition than financial incentives,

2.2.2. Employee Retention strategies

One of the most important aspect in employee retention is employee satisfaction, nowadays most employees quit their jobs due to lack of satisfaction with the work condition or the work environment.

In order for employees to stay for longer times in their job positions they need to be motivated to do their work, and their motivation is tightly related to their satisfaction. The employers need to pay great attention to their employees' needs and aspiration, because as soon as an employee feels no recognition for what he is achieving or what he is doing, and he feels that the company looks only for its benefit, then at this point he starts thinking about leaving.

To explain how an employee thinks and what are the things that he is looking forward to achieving, the below is a brief about Maslow's hierarchy of needs and Herzberg's two factors theory, to generate more insightful knowledge of motivational aspects.

[20] Yukon government, Canada, Recruitment and employee retention strategies, 2010, p9

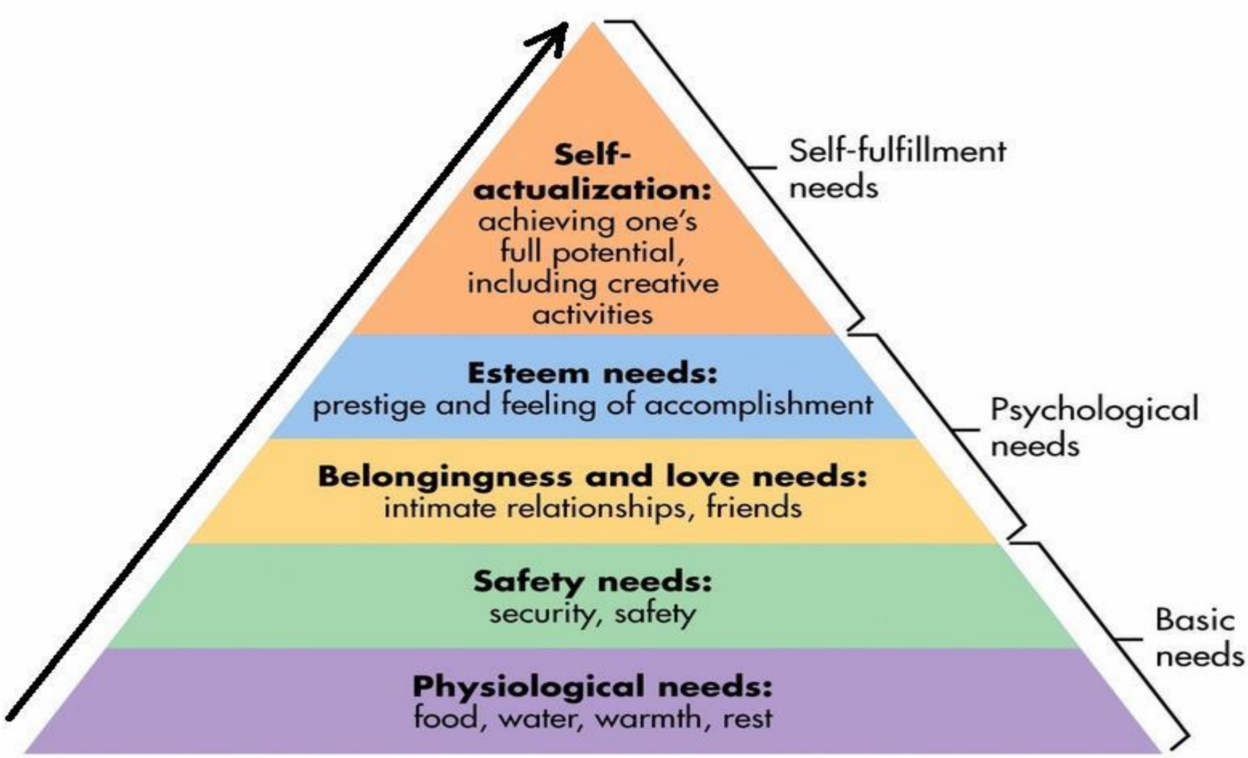
2.2.2.1. Maslow's hierarchy of needs

Every human being on this earth has needs and those needs are like subjected to be satisfied some in the short term and others are to be attained in the long term. Some needs are basic and easy to attain and some other needs are hard to attain and need a lot of work and means to attain. The human being with his nature is looking forward to moving ahead and to realize self satisfaction. The human being at first looks for the basic need or the primary needs such as food, sleep and water; these needs are biological and common in every individual and are a necessity for survival. As mentioned previously the human being with his nature after having attained the primary needs will move forward to attain the secondary needs; secondary needs are those related to psychology, and are more ambiguous and hard to define or to understand. These needs arise at certain stage in one’s life, with the influence of his environment and the people surrounding him or her, for instance, the desire to be loved or be connected to someone, to a group of people, to a society...etc, and from that comes the desire of people to be a fan of someone or something such as football team, something that represents them and means something to them, something that they can be attached to. Identifying and explaining secondary needs is more complicated, because this type of needs varies depending on many external factors, such as the culture one grows up in. However, secondary needs are accountable for most of employee behaviors in the organization.

The psychologist Abraham Maslow introduced “Hierarchy of needs” for the first time in 1943 and this theory still remains very common and known in the present time. The hierarchy of needs is one of the most popular in content theories that highlights the factors that drive humans’ behaviors and motivate them. This theory is based on two principles: deficit and progression. The deficit principle states that the needs that are satisfied at a certain point they no longer represent a motivation factor; people only act to fulfill the deprived desire.

The progression principle is introduced as the level where a person is no longer motivated by previously attained objectives, and it’s the level where a person has new needs and lower ones are already satisfied.

Figure 6



Maslow pyramid of needs

To sum-up the below is a brief about Maslow's pyramid:

Physiological needs are at the bottom level in the hierarchy and are the first to be attained. It is related to basic means of living, such as, food and water. Even though these needs are basic, but Maslow highlights the fact that these needs have the overall influence onto other needs. Someone who's thirsty or hungry won't at all think about having a home or job, but the only think that he or she would think about is finding a source of water or finding food to feed their hunger and that the human nature. The main condition for people to pass from a level to another is to satisfy the needs of the level where there are. No one can think seriously about owning a palace while they don't even own an apartment.

In a work environment the basic needs are summed into salary and comfort as mentioned below: «Physiological needs mainly are related to basic salary, working hours and physical comfort when doing job». (John A. 2006, 49)

When basic needs are satisfied people move to the next level, which is Security needs and those represent the need to be safe and secured from different risks.

In a work environment those needs consist of the insurance, work safety condition, job security as well as financial benefit that assure certain living standards.

After fulfilling the needs of the second level, comes the third level in hierarchy of Maslow's pyramid and it is related to social needs, that refer to the desire to belong to something such as a group of people or a society, and also to love and be loved.

In a work environment, these needs can be translated to the relationship with coworkers and supervisors or the interaction with customers, and due to that sometimes we see in different companies people consisting groups and that is very natural and normal because employees need to feel safe and they need to have the feeling of belonging to something and because of that they consist groups so they feel that they have backup. These relationships, if managed effectively, satisfy employee social needs by creating sense of being connected.

Next are the esteem needs, where a person needs to be highly evaluated, by one self and others, the need to feel successful and the feeling of accomplishment and achievement.

«Self-esteem needs refer to the desire for confidence, independence, competence and ability of to accomplish tasks. Besides, one also needs to be esteemed by other people expressing through the desire to be recognized and appreciated[21]» (Dessler, 2005)

The last and the highest level of needs is self-actualization, which denotes the desire to develop and improve to become actualized in what one is potential.

«In a work environment or in an organizational context, these needs are the desires for development and promotion opportunities, or creative and challenging jobs.» (Dessler, 2005)

According to (Greenberg & Baron, 2003) self-actualized employees tend to perform with highest productivity.

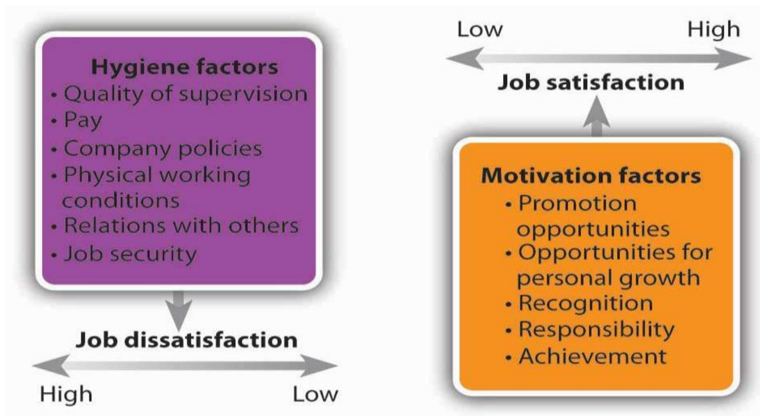
Maslow's theory can be perfectly applied in a work environment, and can help a lot employers to understand the needs of their employees, and the necessity to pay attention to employees needs, and the need to put in place a remuneration system, a benefits and compensation system, a strategic work force planning in order to respond to employees needs and be always employee needs.

[21] Dessler, G. *Human Resource Management, op. cit, p* 115

2.2.2.2. Herzberg's two-factor theory of motivation

The two factors theory of motivation was presented in 1959 by the behavioral scientist, Frederick Herzberg, this theory was also named the motivator-hygiene. Based on this theory there are some job factors that lead to satisfaction and others that lead to dissatisfaction.

Figure 7 Herzberg's view of satisfaction and dissatisfaction



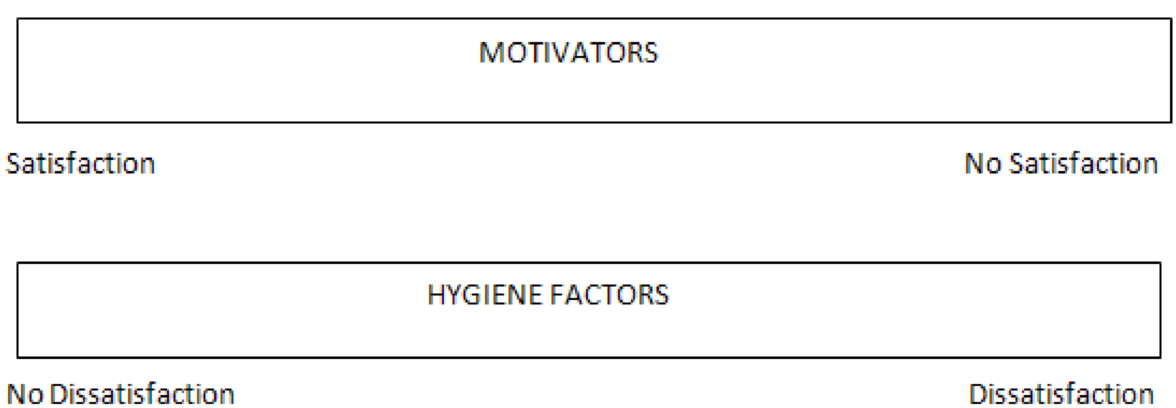
Based on Herzberg's theory the opposite of ''Satisfaction'' is ''No satisfaction'' and the opposite of ''Dissatisfaction'' is ''No Dissatisfaction''

Herzberg classified these job factors into two categories:

2.2.2.3. a. **Hygiene factors**[22]:

Hygiene factors are factors that can easily create or push to employee dissatisfaction and for instance, we mention the work environment, company policies, work conditions. Those job factors are essential for the well being of the employee, but they don't represent factors of motivation and they do not lead to satisfaction. But if these factors are absent, if these factors do not exist at the workplace, then they would lead to dissatisfaction.

Figure 8 Herzberg's Hygiene factors & motivators



[22] http://managementstudyguide.com/herzbergs-theory-motivation.htm [(Herzbergs theory motivation, n.d.)] [May, 17th 2018] at 8:34 p.m.

In other words, hygiene factors are those factors which when adequate in a job, pacify the employees and do not make them dissatisfied. These factors are primordial. Hygiene factors are also called as factors of dissatisfaction or maintenance factors as they are required to avoid dissatisfaction. These factors describe the job environment. The hygiene factors symbolize the physiological needs which individuals want and expect to be attained.

Hygiene factors include:

Work conditions – the employer must put at the disposal of the employee all the means needed to achieve the work targets.

Also safe and a clean work environment is a must for any employee to do his job the best way possible.

Internal equity – employees must be paid equally and rightfully based on their job positions, tasks and years of experience, employees on the same position with the same tasks, and number of years of experience must be paid in an equal way.

Company Policies – must respond the company's code of conduct and to labor law and all other regulations, all company matters must be dealt with according to standards and with reason.

Interpersonal relations – employees spend long hours at the work place and due to that they consist new relations and they consider sometimes their colleagues as friends and for that a respectful relationship between employee, their subordinates and their superiors must be built on mutual respect and consideration.

2.2.2.3. b. **Motivational factors**

Based on Herzberg's theory, hygiene factors cannot be taken in account when talking about motivators, and here come the motivational factors and these factors motivate the employees and push their performance forward. These factors are also called satisfiers.

Employees find these factors intrinsically rewarding. The motivators symbolized the psychological needs that were perceived as an additional benefit.

Motivational factors include:

Recognition – when working on tasks with the willingness to achieve or to attain objectives traced before, employees look forward to being recognized, and being recognized makes employees feel valuable and feel that what they are doing has a great importance to the business.

Career management and strategic work force planning based on merit and achievements – as mentioned previously and according to Maslow's hierarchy of needs, employees need to be promoted according to a career plan, especially when they are working so hard and achieving targets, and this also considered as a sort of recognition.

Independence and trust – employees need to feel trusted and independent on what they do, they need to feel that they are trust by their managers; they need to feel that they are reliable, and can be count on, and this will push them forward to do more.

Meaningfulness – the job or work being done must have a sense and an added value to the company, so that it can make its doer feel that his existence is meaningful and necessary to the company's survival and continuance.

Limitations of the two-factor theory of motivation

As almost any other theory, the two-factor theory is limited by a certain number of limitations The two-factor theory overlooks situational variables.

Herzberg assumed a correlation between satisfaction and productivity. But the research conducted by Herzberg stressed upon satisfaction and ignored productivity.

When doing such a study, all aspects and factors must be taken in consideration, and in this case productivity is a very important factor that sometimes matters more to the employer than employee satisfaction. Employers usually pay more attention to how much their employees are productive and they are not usually interested on pushing their productivity by motivation, instead sometimes by other means through management. So form that the theory's reliability is uncertain and it didn't stress whether productivity is affected by that or not. Analysis has to be made by the raters. The raters may spoil the findings by analyzing same response in different manners.

In certain cases employees are not satisfied with what they got, but still they consider their jobs as acceptable and can be dealt with at least for few years before moving ahead for a new opportunity, especially in the case of junior employees, when they are obliged to stick to their first job at least for a while, because they need to prove they have had at least couple years of work experience and that they were stable in their jobs despite the fact whether they like their jobs or not because here what motivates this kind of employees are different factors, and from that we can't assume whether dissatisfaction affects productivity or not, for instance, sometimes an employee even if he is dissatisfied or unmotivated, still he that he works hard and pushes forward just because he feels that he is obliged to keep things moving ahead because of his sense of professionalism and feeling of responsibility toward his co-workers.

The two factor theory is not free from bias as it is based on the natural reaction of employees when they are enquired the sources of satisfaction and dissatisfaction at work. They will blame dissatisfaction on the external factors such as salary structure, company policies and peer relationship. Also, the employees will give credit to themselves for the satisfaction factor at work.

Implications of Two-Factor Theory

The Two-Factor theory implies that the managers must stress upon guaranteeing the adequacy of the hygiene factors to avoid employee dissatisfaction. Also, the managers must make sure that the work is stimulating and rewarding so that the employees are motivated to work and perform harder and better. This theory emphasizes upon job-enrichment so as to motivate the employees. The job must utilize the employee's skills and competencies to the maximum. Focusing on the motivational factors can improve work-quality.

2.2.2.3. Theory X and theory Y

Douglas McGregor a doctor in psychology and a graduate of Harvard university, and Industrial psychology professor at MIT in the United States, formulated and presented in 1960 the Theory X and Theory Y, the theory suggests two sides of human behavior in a work environment, the first side or the first aspect of an employee in a work environment called Theory X and represents the negative side, and the second called theory Y and represents the positive side.

According to McGregor, the perception of managers on the nature of individuals is based on various assumptions.

Assumptions of Theory X

Any company's policies and management style is mostly influenced and driven by the will of its business leaders and managers, and any management style would affect highly the personnel's behavior, and these policies or management decision would sometimes work as motivators to a part of employees, but it also would affect sometimes negatively the other part of employees, because they might not have the same advantages but at the same time they would have the same obligations, for instance, a not well paid employee usually does not like work and mostly tries to avoid due tasks by managers, and in this case the only way to push the employee to finish his tasks or to respect internal regulations is whether to be warned or even sometimes be punished under internal regulation, and that's in order to keep the business going, and here a more directive managerial style is required.

- Employees does not like work and always try to escape from work whenever possible
- Theory X employees show high resist towards change and these people generally dislike responsibilities.
- A close supervision is necessary for them in order to make them productive
- High degree of control and continuous supervision is necessary at energy step of the work
- People must be threatened and directed in an authoritarian style
  (D. McGregor, The human side of enterprise, 1960)

Assumptions of Theory Y

Employees can perceive their job as relaxing and normal. They exercise their physical and mental efforts in an inherent manner in their jobs.

Employees may not require only threat, external control and coercion to work, but they can use self-direction and self-control if they are dedicated and sincere to achieve the organizational objectives.

If the job is rewarding and satisfying, then it will result in employees' loyalty and commitment to organization.

An average employee can learn to admit and recognize the responsibility. In fact, he can even learn to obtain responsibility.

The employees have skills and capabilities. Their logical capabilities should be fully utilized. In other words, the creativity, resourcefulness and innovative potentiality of the employees can be utilized to solve organizational problems.

Thus, we can say that Theory X presents a pessimistic view of employees' nature and behavior at work, while Theory Y presents an optimistic view of the employees' nature and behavior at work. If correlate it with Maslow's theory, we can say that Theory X is based on the assumption that the employees emphasize on the physiological needs and the safety needs; while Theory X is based on the assumption that the social needs, esteem needs and the self-actualization needs dominate the employees.

McGregor views Theory Y to be more valid and reasonable than Theory X. Thus, he encouraged cordial team relations, responsible and stimulating jobs, and participation of all in decision-making process.

- Theory Y employees perceive that their jobs are quite normal and relaxing
- Skills and capabilities can make them more productive
- They utilize their potentiality in reaching the individual and organizational goals
- Employees never completely satisfy in fulfilling self-esteem and self-actualization needs

(D. McGregor, The human side of enterprise, 1960)

Implications of Theory Y

Nowadays business life requires more flexibility, thus so many companies are leaving theory X that requires more supervision and control. And as it is also proven that theory Y doesn't in any encourage and push to innovation and thus it is counterproductive more than it is a factor of discipline and production.

Many organizations moved forward to using Theory Y, which implies that the business leaders are now required to give more responsibility to their managers and their subordinates. Giving more responsibility to managers and subordinates would lead to more innovation since employees are self-directed and trusted, and this also would create a more stable work environment.

Theory Y encourages decentralization of authority, teamwork and participative decision making in an organization. Theory Y searches and discovers the ways in which an employee can make significant contributions in an organization. It harmonizes and matches employees' needs and aspirations with organizational needs and aspirations.

2.2.2.4. Modern theories of motivation

Many theories been discussed and proved true, partially true, or even wrong from different point of views and the above mentioned theories are classical theories that discussed both motivation and retention. In addition to classical theories, other modern theories are to be added to the list that support or enrich previously mentioned theories.

- ERG theory
- McClelland's Theory of Needs
- Goal setting Theory
- Reinforcement Theory
- Equity Theory of Motivation
- Expectancy Theory of Motivation

❖ **ERG theory**[23]

The ERG theory is the redefinition of the Maslow's hierarchy of needs or Maslow's pyramid, that was brought by Clayton Alderfer in order to synchronize between classical and empirical research. What Alderfer did, is that he worked on Maslow's need hierarchy and developed it with new categorization called the ERG theory (Existence, Relatedness, and Growth)

- **Existence needs**- Are basic needs that earlier Maslow considered as physiological and safety needs.
- **Relatedness needs**- Is the feeling or desire that any human being have, and it is to have or to maintain interpersonal relationships (having friends, colleagues, family, people that

[23] [(http://managementstudyguide.com/erg-theory-motivation.htm) (erg theory motivation, n.d.)], [Friday, May 25th, 2018 at 2:19 p.m.]

can help), getting public fame and recognition. Maslow's social needs and external component of esteem needs fall under this class of need.

- **Growth needs**- Are those related to self-esteem and the need for self development and personal growth and success. Maslow's self-actualization needs and intrinsic component of esteem needs fall under this category of need.

Figure 9 Alderfer's ERG Theory

(C. Alderfer, 1969)

The importance of each classe of needs may vary for a person to another.

Difference between Maslow Need Hierarchy Theory and Alderfer's ERG Theory:

- ERG Theory states that at a given point of time, more than one need may be operational.
- ERG Theory also shows that if the fulfillment of a higher-level need is subdued, there is an increase in desire for satisfying a lower-level need.
- According to Maslow, an individual remains at a particular need level until that need is satisfied. While according to ERG theory, if a higher- level need aggravates, an individual may revert to increase the satisfaction of a lower- level need. This is called frustration- regression aspect of ERG theory. For instance- when growth need aggravates, then an individual might be motivated to accomplish the relatedness need and if there are issues in accomplishing relatedness needs, then he might be motivated by the existence needs. Thus, frustration/aggravation can result in regression to a lower-level need.

- While Maslow's need hierarchy theory is rigid as it assumes that the needs follow a specific and orderly hierarchy and unless a lower-level need is satisfied, an individual cannot proceed to the higher-level need; ERG Theory of motivation is very flexible as he perceived the needs as a range/variety rather than perceiving them as a hierarchy. According to Alderfer, an individual can work on growth needs even if his existence or relatedness needs remain unsatisfied. Thus, he gives explanation to the issue of "starving artist" who can struggle for growth even if he is hungry.

Implications of the ERG Theory

Managers must understand that an employee has various needs that must be satisfied at the same time. According to the ERG theory, if the manager concentrates solely on one need at a time, this will not effectively motivate the employee. Also, the frustration- regression aspect of ERG Theory has an added effect on workplace motivation. For instance- if an employee is not provided with growth and advancement opportunities in an organization, he might revert to the relatedness need such as socializing needs and to meet those socializing needs, if the environment or circumstances do not permit, he might revert to the need for money to fulfill those socializing needs. The sooner the manager realizes and discovers this, the more immediate steps they will take to fulfill those needs which are frustrated until such time that the employee can again pursue growth.

- **McClelland's Theory of Needs [24]**

David McClelland and his associates proposed McClelland's theory of Needs / Achievement Motivation Theory. This theory states that human behavior is affected by three needs - Need for Power, Achievement and Affiliation. Need for achievement is the urge to excel, to accomplish in relation to a set of standards, to struggle to achieve success. Need for power is the desire to influence other individual's behavior as per your wish. In other words, it is the desire to have control over others and to be influential. Need for affiliation is a need for open and sociable interpersonal relationships. In other words, it is a desire for relationship based on co-operation and mutual understanding.

[24] Ibid., [Friday, May 25th, 2018 at 3:23 p.m.]

The individuals with high achievement needs are highly motivated by competing and challenging work. They look for promotional opportunities in job. They have a strong urge for feedback on their achievement. Such individuals try to get satisfaction in performing things better. High achievement is directly related to high performance. Individuals who are better and above average performers are highly motivated. They assume responsibility for solving the problems at work. McClelland called such individuals as gamblers as they set challenging targets for themselves and they take deliberate risk to achieve those set targets. Such individuals look for innovative ways of performing job. They perceive achievement of goals as a reward, and value it more than a financial reward.

The individuals who are motivated by power have a strong urge to be influential and controlling. They want that their views and ideas should dominate and thus, they want to lead. Such individuals are motivated by the need for reputation and self-esteem. Individuals with greater power and authority will perform better than those possessing less power. Generally, managers with high need for power turn out to be more efficient and successful managers. They are more determined and loyal to the organization they work for. Need for power should not always be taken negatively. It can be viewed as the need to have a positive effect on the organization and to support the organization in achieving its goals.

The individuals who are motivated by affiliation have an urge for a friendly and supportive environment. Such individuals are effective performers in a team. These people want to be liked by others. The manager's ability to make decisions is hampered if they have a high affiliation need as they prefer to be accepted and liked by others, and this weakens their objectivity. Individuals having high affiliation needs prefer working in an environment providing greater personal interaction. Such people have a need to be on the good books of all. They generally cannot be good leaders.

❖ Goal setting Theory[25]

In 1960's, Edwin Locke put forward the Goal-setting theory of motivation. This theory states that goal setting is essentially linked to task performance. It states that specific and challenging goals along with appropriate feedback contribute to higher and better task performance.

In simple words, goals indicate and give direction to an employee about what needs to be done and how much efforts are required to be put in.

The important features of goal-setting theory are as follows:

The willingness to work towards attainment of goal is main source of job motivation. Clear, particular and difficult goals are greater motivating factors than easy, general and vague goals.

Specific and clear goals lead to greater output and better performance. Unambiguous, measurable and clear goals accompanied by a deadline for completion avoids misunderstanding.

Goals should be realistic and challenging. This gives an individual a feeling of pride and triumph when he attains them, and sets him up for attainment of next goal. The more challenging the goal, the greater is the reward generally and the more is the passion for achieving it.

Better and appropriate feedback of results directs the employee behaviour and contributes to higher performance than absence of feedback. Feedback is a means of gaining reputation, making clarifications and regulating goal difficulties. It helps employees to work with more involvement and leads to greater job satisfaction.

Employees' participation in goal is not always desirable.

Participation of setting goal, however, makes goal more acceptable and leads to more involvement.

Goal setting theory has certain eventualities such as:

[25] Ibid. [Friday, May 25th, 2018 at 3:50 p.m.]

a. **Self-efficiency**- Self-efficiency is the individual's self-confidence and faith that he has potential of performing the task. Higher the level of self-efficiency, greater will be the efforts put in by the individual when they face challenging tasks. While, lower the level of self-efficiency, less will be the efforts put in by the individual or he might even quit while meeting challenges.
b. **Goal commitment-** Goal setting theory assumes that the individual is committed to the goal and will not leave the goal. The goal commitment is dependent on the following factors:

I. Goals are made open, known and broadcasted.
II. Goals should be set-self by individual rather than designated.
III. Individual's set goals should be consistent with the organizational goals and vision.

Advantages of Goal Setting Theory

- Goal setting theory is a technique used to raise incentives for employees to complete work quickly and effectively.
- Goal setting leads to better performance by increasing motivation and efforts, but also through increasing and improving the feedback quality.

Limitations of Goal Setting Theory

- At times, the organizational goals are in conflict with the managerial goals. Goal conflict has a detrimental effect on the performance if it motivates incompatible action drift.
- Very difficult and complex goals stimulate riskier behavior.
- If the employee lacks skills and competencies to perform actions essential for goal, then the goal-setting can fail and lead to undermining of performance.
- There is no evidence to prove that goal-setting improves job satisfaction.

❖ **Reinforcement Theory** [26]

Reinforcement theory of motivation was proposed by BF Skinner and his associates. It states that individual's behavior is a function of its consequences. It is based on "law of effect", i.e.,

[26]Ibid. [Friday, May 25th, 2018 at 4:10 p.m.]

individual’s behavior with positive consequences tends to be repeated, but individual’s behavior with negative consequences tends not to be repeated.

Reinforcement theory of motivation overlooks the internal state of individual, i.e., the inner feelings and drives of individuals are ignored by Skinner. This theory focuses totally on what happens to an individual when he takes some action. Thus, according to Skinner, the external environment of the organization must be designed effectively and positively so as to motivate the employee. This theory is a strong tool for analyzing controlling mechanism for individual’s behavior. However, it does not focus on the causes of individual’s behavior.

The managers use the following methods for controlling the behavior of the employees:

- **Positive Reinforcement**- This implies giving a positive response when an individual shows positive and required behaviour. For example - Immediately praising an employee for coming early for job. This will increase probability of outstanding behaviour occurring again. Reward is a positive reinforce, but not necessarily. If and only if the employees’ behaviour improves, reward can said to be a positive reinforcer. Positive reinforcement stimulates occurrence of a behaviour. It must be noted that more spontaneous is the giving of reward, the greater reinforcement value it has.
- **Negative Reinforcement**- This implies rewarding an employee by removing negative / undesirable consequences. Both positive and negative reinforcement can be used for increasing desirable / required behaviour.
- **Punishment**- It implies removing positive consequences so as to lower the probability of repeating undesirable behaviour in future. In other words, punishment means applying undesirable consequence for showing undesirable behavior. For instance - Suspending an employee for breaking the organizational rules. Punishment can be equalized by positive reinforcement from alternative source.
- **Extinction**- It implies absence of reinforcements. In other words, extinction implies lowering the probability of undesired behaviour by removing reward for that kind of behaviour. For instance - if an employee no longer receives praise and

admiration for his good work, he may feel that his behaviour is generating no fruitful consequence. Extinction may unintentionally lower desirable behaviour.

Implications of Reinforcement Theory

Reinforcement theory explains in detail how an individual learns behaviour. Managers who are making attempt to motivate the employees must ensure that they do not reward all employees simultaneously. They must tell the employees what they are not doing correct. They must tell the employees how they can achieve positive reinforcement.

- **Equity Theory of Motivation**[27]

The core of the equity theory is the principle of balance or equity. As per this motivation theory, an individual's motivation level is correlated to his perception of equity, fairness and justice practiced by the management. Higher is individual's perception of fairness, greater is the motivation level and vice versa. While evaluating fairness, employee compares the job input (in terms of contribution) to outcome (in terms of compensation) and also compares the same with that of another peer of equal cadre/category. D/I ratio (output-input ratio) is used to make such a comparison.

Table 1: Equity theory

EQUITY THEORY	
Ratio Comparison	**Perception**
O/I a < O/I b	Under-rewarded (Equity Tension)
O/I a = O/I b	Equity
O/I a > O/I b	Over-rewarded (Equity Tension)

(S. Adams, 1963)

Negative Tension state: Equity is perceived when this ratio is equal. While if this ratio is unequal, it leads to "equity tension". J.Stacy Adams called this a negative tension state which

[27] Ibid. [Friday, May 25th, 2018 at 4:20 p.m.]

motivates him to do something right to relieve this tension. A comparison has been made between 2 workers A and B to understand this point.

Referents: The four comparisons an employee can make have been termed as “referents” according to Goodman. The referent chosen is a significant variable in equity theory. These referents are as follows:

- Self-inside: An employee’s experience in a different position inside his present organization.
- Self-outside: An employee’s experience in a situation outside the present organization.
- Other-inside: Another employee or group of employees inside the employee’s present organization.
- Other-outside: Another employee or employees outside the employee’s present organization.

An employee might compare himself with his peer within the present job in the current organization or with his friend/peer working in some other organization or with the past jobs held by him with others. An employee’s choice of the referent will be influenced by the appeal of the referent and the employee’s knowledge about the referent.

Moderating Variables: The gender, salary, education and the experience level are moderating variables. Individuals with greater and higher education are more informed. Thus, they are likely to compare themselves with the outsiders. Males and females prefer same sex comparison. It has been observed that females are paid typically less than males in comparable jobs and have less salary expectations than male for the same work. Thus, a women employee that uses another women employee as a referent tends to lead to a lower comparative standard. Employees with greater experience know their organization very well and compare themselves with their own colleagues, while employees with less experience rely on their personal experiences and knowledge for making comparisons.

Choices: The employees who perceive inequity and are under negative tension can make the following choices:

- Change in input (e.g. Don't overexert)
- Change their outcome (Produce quantity output and increasing earning by sacrificing quality when piece rate incentive system exist)
- Choose a different referent
- Quit the job
- Change self perception (For instance - I know that I've performed better and harder than everyone else.)
- Change perception of others (For instance - Jack's job is not as desirable as I earlier thought it was.)

Assumptions of the Equity Theory

The theory demonstrates that the individuals are concerned both with their own rewards and also with what others get in their comparison.

Employees expect a fair and equitable return for their contribution to their jobs.

Employees decide what their equitable return should be after comparing their inputs and outcomes with those of their colleagues.

Employees who perceive themselves as being in an inequitable scenario will attempt to reduce the inequity either by distorting inputs and/or outcomes psychologically, by directly altering inputs and/or outputs, or by quitting the organization.

❖ **Expectancy Theory of Motivation**[28]

The expectancy theory was proposed by Victor Vroom of Yale School of Management in 1964. Vroom stresses and focuses on outcomes, and not on needs unlike Maslow and Herzberg. The theory states that the intensity of a tendency to perform in a particular manner is dependent on

[28] Ibid. [Friday, May 25th, 2018 at 4:40 p.m.]

the intensity of an expectation that the performance will be followed by a definite outcome and on the appeal of the outcome to the individual.

The Expectancy theory states that employee’s motivation is an outcome of how much an individual wants a reward (Valence), the assessment that the likelihood that the effort will lead to expected performance (Expectancy) and the belief that the performance will lead to reward (Instrumentality). In short, Valence is the significance associated by an individual about the expected outcome. It is an expected and not the actual satisfaction that an employee expects to receive after achieving the goals. Expectancy is the faith that better efforts will result in better performance. Expectancy is influenced by factors such as possession of appropriate skills for performing the job, availability of right resources, availability of crucial information and getting the required support for completing the job.

Instrumentality is the faith that if you perform well, then a valid outcome will be there. Instrumentality is affected by factors such as believe in the people who decide who receives what outcome, the simplicity of the process deciding who gets what outcome, and clarity of relationship between performance and outcomes. Thus, the expectancy theory concentrates on the following three relationships:

Effort-performance relationship: What is the likelihood that the individual’s effort be recognized in his performance appraisal?

Performance-reward relationship: It talks about the extent to which the employee believes that getting a good performance appraisal leads to organizational rewards.

Rewards-personal goals relationship: It is all about the attractiveness or appeal of the potential reward to the individual.

Vroom was of view that employees consciously decide whether to perform or not at the job. This decision solely depended on the employee’s motivation level which in turn depends on three factors of expectancy, valence and instrumentality.

Advantages of the Expectancy Theory

- It is based on self-interest individual who want to achieve maximum satisfaction and who wants to minimize dissatisfaction.
- This theory stresses upon the expectations and perception; what is real and actual is immaterial.
- It emphasizes on rewards or pay-offs.
- It focuses on psychological extravagance where final objective of individual is to attain maximum pleasure and least pain.

Limitations of the Expectancy Theory

- The expectancy theory seems to be idealistic because quite a few individuals perceive high degree correlation between performance and rewards.
- The application of this theory is limited as reward is not directly correlated with performance in many organizations. It is related to other parameters also such as position, effort, responsibility, education, etc.

Implications of the Expectancy Theory

- The managers can correlate the preferred outcomes to the aimed performance levels.
- The managers must ensure that the employees can achieve the aimed performance levels.
- The deserving employees must be rewarded for their exceptional performance.
- The reward system must be fair and just in an organization.
- Organizations must design interesting, dynamic and challenging jobs.
- The employee's motivation level should be continually assessed through various techniques such as questionnaire, personal interviews, etc.

2.2.2.5. **Rethinking Retention model**

Rethinking Retention in Good times and bad is a research conducted by Dick Finnegan based on the 2008 recession era and post 2007, this study was developed later in 2009, and it explained the importance and the challenge of retention to employers in good and bad times taking the subprime financial crises of 2008 as an example of bad times and it was the time where employees had to retain to most their most skilled employees because they meant everything to the company at that time. The study is a process-based and research driven based on experiences.

The U.S. economy made a big turn starting in 2007 where the economy shifted from a huge one to almost a complete recession, and the fight businesses and employers started to retain their best employees in order to help them stay in business. Here the term retention started to change and be understood in a different way.

According to Finnegan, business owners and employers believe that bad times of economy push employees to stick to their jobs and try the most to survive the time, but this is completely wrong, because in such times employees start thinking about find a safer job and here starts their search for a new job, a job where they can be safer.

«By the end of 2008, the ubiquitous media was telling American workers what the year had been like for their peers. Compared to 2007, 43% more had been laid off and unemployment had increased to 7.2%, a jump of 26% over the previous year. Surely American workers were pleased have a job…any job.

But the data tell a different story. The number of voluntary quits did drop during year one of this recession, but only by 11%. This meant that your chance of losing an employee you wanted to keep in 2008 was 89% as strong as it was during the strong economy of 2007.

And while concerns grew deeper as the year went on, the difference in voluntary quits between the fourth quarters of 2008 versus 2007 was just 20%. So there was an 80%-as-strong likelihood of losing a productive worker in the 4th quarter of 2008 versus the same period in the previous year.

More importantly, there is good reason to believe that those who walk away from their jobs during recessions are usually your best performers. Open jobs declined by 18% from 2007 to 2008, while layoffs and the hike in unemployment put many more applicants on the streets. One study estimates there were nearly three times as many applicants for openings during the recession as there were before it. As a result, companies became more selective and applicants found stiff competition for most openings. Those who left you had probably already secured a new job and beaten out the masses to win it[29].» (Finnegan, 2010)

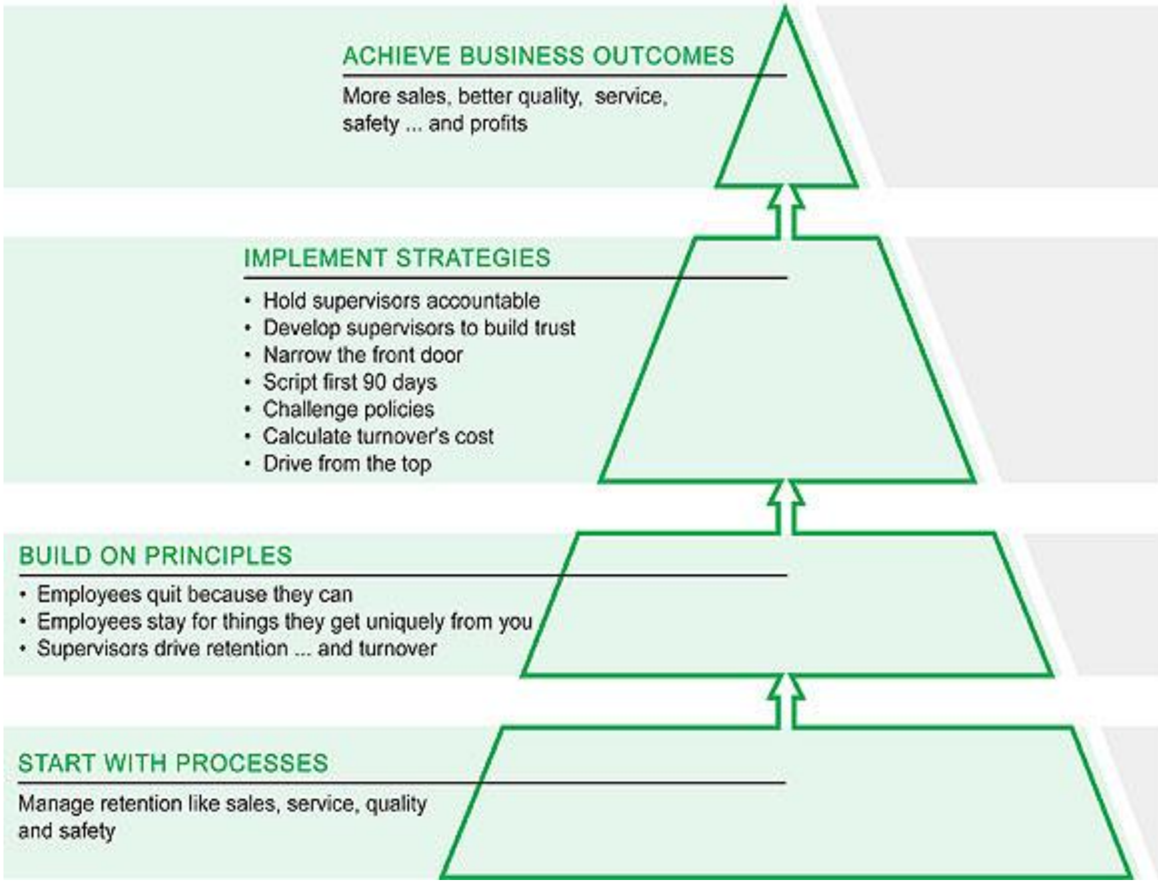
According to Finnegan executives seem to know that they can lose people that can help them in business, even in bad times, because those kind of people are more demanded in bad times.

Still the company doesn't only need those in key positions or those with special skills to help the company in difficult times, employers must be employee oriented and must think about retaining their employees in bad and good times, because those are the success key of the business in all times, because they are the one to do the simple tasks such as calling clients or suppliers, and they are the one reduce costs by adapting new methods of production or new saving costs strategies, employees are the company.

From a business point of view, taking in consideration employees are the company, and the best ones are the hardest to retain and are the ones to save the company in difficult times Finnegan developed a model – graphic representation – on how to retain employees for longer time

[29] Finnegan, D. (2010). *Rethinking retention.* Boston, p3.

Figure 9 Rethinking Retention



(D. Finnegan, 2009)

The above graphic is a demonstration of an organization-wide model on how to retain employees.

According to Finnegan Process is the stem of every organization and it's a must.

The process is the steps or practices whether formal and written – procedure – or informal that a company adopts in its daily activities, such as recruitment process or integration process. From that we conclude that if the company wants to retain its employees, it must have in place processes and strategies to help retain its employees

For decades, several problems in marketing, sales and services have been solved as common issues of all departments; however, retention has traditionally been the responsibility of HR section only. In fact, effective retention requires full management participation, as well as being treated as “ongoing staple of performance” (Finnegan & Richard 2009, 3)

According to Finnegan there are three principles of retention:

- Point #1: Employees quit jobs because they can (First principle)

Exit surveys and various studies reveal several reasons why employees quit, such as salary, supervisor quality, career development or better opportunities. While these reasons are understandable and true in certain cases, the reason lies under all of them is simple – the economy and society allow them to do so. The turnover rate is affected strongly by the situation of the labor market, which changes accordingly to the economy status. In other words, high turnover is “a price of good economic times”. (Finnegan & Richard 2009, 18)

- Point #2: Employees stay for things they get uniquely from the employer (Second principle)

In several cases, employees choose to stay though they can leave for a better job. The reasons can be tangible benefits such as short distance from house to work, flexible working schedule, or right to buy company products with lower price. It can also be intangible, for example, opportunities to work with trusted supervisor and colleagues, or chance to learn new skills. In general, the retention happens when the employees aware that the benefit current organization offers is unique and cannot be found elsewhere.

Finnegan calls these unique offers that make the employees stay as “glue”, with the definition of “glue” aligns closely to the “embeddedness” mentioned in Mitchell and Lee’s model. In order to identify the “glues”, the most effective way is through one-to-one interview with the employees, conducted by the supervisors. While people hesitate to answer the truth why they leave, they are more eager to reveal the reason to stay. (Finnegan & Richard 2009, 21)

To define the target group of employees who organizations should offer the “glues”, Finnegan and Richard (2009, 23) suggests dividing employees into three groups:

- WOWs: The group of employees that “walk on water”, which means their performances are always good.

- Wet Socks: The group of employees that usually perform proficiently but sometimes slip.

- Snorkels: The employees that most of the time have performances under average standards.

In accordance with this division, WOWs and Wet Socks are target groups for “glues” offering. Nevertheless, identify the “glues” and make offers are not enough, to make the “glues” works, the organization has to successfully communicate them with the employees to ensure that they are aware of these offered values.

- Point #3: Supervisors build unique relationships that drive retention or turnover (Third principle)

In the book “First, break all the rules”, Buckingham and Coffman say on their first page: “If you have a turnover problem, look first to your managers.”

One of Kenexa studies on the relationship between supervisor and employee reveals that people leave for lack of fit with supervisor, dissatisfaction with financial benefits and dissatisfaction with learning environment.

However, the two latter reasons were also influenced by the relationship they have with supervisors. Thus, the researchers concluded that “offering high salary or providing good learning and development environment may not be enough to retain employees.” (Finnegan & Richard 2009, 25.)

To sum up, supervisors have extremely important roles in retention, because most of problems derive from the relationship with supervisors.

Traditionally, organizations solve retention problems using staff-driven programs, which is easier to exercise. In fact, poor supervisors waste good programs; and good employees still choose to quit working with ineffective supervisors anyway, regardless how many programs the organization do. (Finnegan & Richard 2009, 25.)

Together with three principles, Finnegan and Richard (2009, 27) also proposes seven new retention tools:

- Point #1: Hold supervisors accountable for achieving retention goal

According to a Talent Keepers' recent survey, only 14 per cent of organizations set retention goals at the first-line manager level. Setting goals for supervisors is considered as first priority in Rethinking Retention model, as they are the one who work with the employees and understand them the most. Not all supervisor welcome retention goals, and the management need to communicate to them that turnover rate reduce has become a daily practice. The expectation should not be too high at first, because it can put unnecessarily pressures on supervisors.

Supervisors won't achieve any other goal you assign them if they lose their best performers, so make them accountable and give them "skin in the game" for retention. (Finnegan & Richard 2009, 29)

- Point #2: Develop supervisors to build trust with their teams

Strong data has proved that "trustworthiness is the most important retention skill for supervisors to retain their workers". A survey made by TalentKeepers within over 100,000 employees working for nearly 100 organizations in different industries, the question is which quality is the most important in the relationship with their supervisors. The answers are the same in every organization: the employee chose building trust to be the most desirable. Another survey conducted by Sirota among 64,000 employees to acknowledge about people's expectation when joining companies.

The expectations of both young and old workers that dominated the result was "being treated with respect, be dealt with equitably, and gain a sense of both work and personal levels" (Finnegan & Richard 2009, 30)

- Point #3: Narrow the front door to close the back door

The hiring and retention are related strongly. The process of hiring and training usually answer two questions: “Can the employee do the job?” and “Will the employee do the job?” but neglect the important one: “Will the employee stay?” (Finnegan & Richard 2009, 32)

Retention should begin during recruitment and selection process. Hiring employees that see the organization and themselves as a good match will reduce largely the chance of sudden leaving in the future. An example of reliable source of recruitment is referral from current employees. Referrals tend to be capable person with good performance, because the current employees usually do not recommend a bad one to avoid embarrassment because the referral fails to do the job. (Finnegan & Richard 2009, 33.)

- Point #4: Script employees’ first 90 days

In the organizations that turnover rate is high, early turnover is frequently accounts for more than half of total rate. Finnegan and Richard (2005, 34) suggest 90 days to be the early turnover period, base on their field experience. The company should practice glue-building management during this time. However, depending on the organizations, continuing efforts beyond this period can be made if necessary. This 90-day time is the most important time, base on which the employee consider and make decision to stay or to quit. To offer unique values at this point is significant to reassure the employee that the decision they made earlier regarding joining the company is right. Besides, to strengthen the bond of employee and organization, there is a need to redesign or create the process, in which the employees can find answers for their questions about their job, supervisor, colleagues and company policies. (Finnegan & Richard 2009, 34.)

- Point #5: Challenge policies to ensure they drive retention

This tactic requires the management to investigate and examine current process to filter factors that drive the employee away. The mostly concerned areas of the policy, under employee point of view, are pay, healthcare and work flexibility. ((Finnegan & Richard 2009, 37.)

Creating and maintaining effective compensation policy that satisfy both employees and employer are almost impossible. Every employee expects higher salary, while employer always considers how to cut cost. However, amendment in pay system, for example, better pay for outstandingly good performer, should be made in time to retain good people. Besides, healthcare and working flexibility are policies that have strong effects on turnover. The organization has to find a way to bring its benefits and employees' benefits into harmony rather than conflict.

- Point #6: Calculate turnover's cost to galvanize retention as a business issue

Every manager knows that high turnover results in cost, however, not many of them know exactly the amount it costs the organization in given period. To calculate and communicate the numbers to executives and managers bring two benefits: the figures can be used effectively to build retention momentum, and the retention issues become more tangible and easier to measure. ((Finnegan & Richard 2009, 41)

- Point #7: Drive retention from the top, because executives have the greatest impact on achieving retention goals

Many organizations do not see retention as a major issue that deserves attention of top management. In several cases, HR is the highest level where retention problems can reach. Retention hardly appears in organization annual reports or strategic plans. There is usually no training program for management exclusively about retention. Nevertheless, retention strategies cannot be successful without the participation of top management, to make sure that all departments are ready to the same goals. For instance, marketing department can support retention by ensuring branding and internal marketing materials are persuasive and updated. Having the whole organization consider retention as an important part of working routine surely generates more positive results than taking it as an extra work. (Finnegan & Richard 2009, 44.)

The core ingredient of the Rethinking Retention model is the shared responsibility of operations management and staff support. In most organizations, operations management drives sales, service, quality, and safety, with various staff departments providing tracking, training, and other services. With retention, however, HR tends to manage on its own.

Making people management work requires organizations to run on all cylinders, to involve all who can help. Each company has developed successful, shared-responsibility models for managing sales and other key initiatives, so why not replicate these ways with retention?

Driving retention processes from top to bottom is the key. Savvy organizations manage retention with the appropriate amount of accountability and other operations-driven tactics to be fully effective.

We looked at the types of tops-down processes our clients usually had in place before our engagements with them. While a few of these organizations provided coaching for supervisors who failed to keep good workers, no retention processes for accountability, recognition, consequences, or skill-specific training were in place. And most of the retention coaching was provided by HR instead of the supervisor's manager.

Organizations that manage retention in that way turn to HR to solve it. The result is usually programs such as career classes or benefits like vision care. So ask yourself: Does my company solve retention with processes driven from the top or with programs driven by HR? (Finnegan & Richard 2015, 6.)

2.2.2.6. **User experience model of employee Retention**

The ‘’Elements of User Experience’’ model was proposed by Jesse James Garrett over fifteen years ago, and it had a significant impact on web design ever since. The core premise of user experience design is to walk through a product or service with the mindset of the user. Playing the role of a user would make us understand more the motivations that pushes that person to take a buy or not to buy decision, and by considering that person’s motivations, interests and behaviors in each step of the interaction, designers would be able to create products and services that best meet the needs of the user, thus encouraging a relevant experience and, ultimately, deeper and continued engagement. And from that came the idea of the user experience in a work environment, to help managers understand the best needs of their subordinates and the factors that motivate them the most, in order for the business to respond the best to their aspirations, and hopes.

It is maybe hard sometimes to understand what our employees want, because financial factors are not always the main motivators, besides financial factors there are more and more factors that help to motivate employees, and in order to understand those factors we need understand how employees think and the user experience would be the mean toward understanding those needs.

Conclusion of chapter two

A normal turnover is the one that doesn't not exceed five percent, and any employer can conclude that it is risky to have a high turnover and it is not normal, for sure there are reasons that lead to high turnover and these reasons can be internal or external, the external reason are so many, for instance the search for a new opportunity – a growth opportunity – and other reason, internal for instance work conditions or poor compensation policy.

High turnover can harm heavily the company, thus it is really important to work forward to identifying route cause of the departures, and from here the employer can build a system or adopt a policy to face the turn over, and here comes the retention, the employer needs to implement strategies and policies that can retain the employees and stop from thinking about external opportunities and stick to the company and its internal opportunities.

Chapter 3: Case study

Introduction

To fulfill the aim and the objective of this master degree, it is really important to strengthen my theoretical knowledge of the human resource management with a real experience on the field.
I was strongly interested in recruitment and more importantly in retention, and this case study gave me the chance to respond to my questions that previously mentioned above.

The case study has a major importance in this thesis, and it is mean to evaluate how recruitment in our Algerian labor market is dealt with and to measure the importance given to retention in the Algerian labor market.
AMS MB was my choice for this case study, because of its particularity, knowing the fact that AMS MB is a public start up in the field of automobile commercialization. With the challenges ahead AMS, it is really important to establish a recruitment process and adjust lacks if needed. And as it is difficult for any company to have a proper retention policy, it is also challenging for AMS to have its own retention policy, and in order to give a value to this thesis, my mission consisted in adjusting AMS's retention policy.
This case study could be a rich experience to anyone that wants to establish a retention program, or start a research in this topic.
In order to valorize and support this research, a questionnaire was sent to employees, in order to identify to key motivation and key dissatisfaction factors that AMS has.
I have adopted a special approach in order to construct or to adjust the retention strategy at AMS with the use of:
Meetings with the staff members to discuss their ambition, and motivations, and also to discuss what they feel it is missed and needs to be in the company's policy.
Based on the theoretical foundations we treated above, I have established a questionnaire that measures, employee satisfaction and dissatisfaction and key factors of both.

Section I: Presentation of the company «AMS Mercedes-Benz »

In this section I will give a presentation about Mercedes-Benz and the Algerian Motors Services, their history, and their missions and activities.

3.1.1. The history of Mercedes-Benz

Mercedes-Benz is a German automobile constructor (premium models, sport cars, and luxury cars), trucks, vans, and buses. The company was founded in 1926 by three constructors: **Daimler-Motoren-Gesellschaft**, Mercedes and Benz. But before that it had a long history that lead to its creation by a group of inventors.

- Gottlieb Daimler

« Gottlieb Daimler is born on 17 March 1834 in Schorndorf. After training as a gunsmith and working in France, he attends the Polytechnic School in Stuttgart from 1857 to 1859. After completing various technical activities in France and England, he starts work as a draftsman in Geislingen in 1862. At the end of 1863, he is appointed workshop inspector in a machine tool factory in Reutlingen, where he meets Wilhelm Maybach in 1865. In 1872, he becomes Technical Director of the gas engine manufacturer Deutz Gasmotorenfabrik, where he becomes familiar with Otto's four-stroke technology.

After differences with the Managing Director, he leaves the company in 1882. Daimler sets up a development workshop in his greenhouse at his Cannstatt villa to concentrate on developing petrol-driven four-stroke engines. Working with Wilhelm Maybach in 1884, he develops an internal combustion engine known today as the 'Grandfather Clock'. With its compact, low-weight design, the machine forms the basis for installation in a vehicle. The costs of trial operations soon consume Daimler's entire fortune, however, so he is obliged to find business partners. He founds 'Daimler-Motoren-Gesellschaft' on 28 November 1890 together with Max Duttenhofer and his business partner Wilhelm Lorenz. But while Duttenhofer wants to produce stationary engines, Daimler prefers to focus on vehicle production, and a dispute ensues.

After Wilhelm Maybach resigns in 1891 due to unacceptable terms of contract, Daimler resorts to a ruse. He continues to build engines with Maybach, but the patents are all in his name. The increasingly tense relationship with Duttenhofer and Lorenz lead them to exclude Daimler as a shareholder. A deterioration in finances leads to stagnating technical development, which prompts DMG to attempt to reinstate Maybach in 1895. He refuses, pointing out that he would not come back without Daimler. In the end, commercial pressures result in both of them returning to the company. Thanks to the Phoenix engine built by Maybach, the Daimler engine gains popularity abroad. A group of English industrialists are prepared to pay 350,000 Marks for licensing rights. Maybach is appointed Technical Director of DMG, and Gottlieb Daimler receives a position on the Technical Board and becomes the Inspector General of the Supervisory Board. The return of both men to DMG is an unexpected boost for the company. Gottlieb Daimler enjoys this rapid development for only a short period of time. He dies of heart disease on 6 March 1900. » (Mercedes-Benz history[30])

- **Carl Benz**

« Carl Benz is born in Karlsruhe on 25 November 1844. His father dies in July 1846. Despite living on limited financial means, his mother ensures that her son attends a grammar school and later studies mechanical engineering. The young engineer advances quickly from a locksmith to a designer and workshop foreman. In 1871, Carl Benz joins forces with 'mechanician' August Ritter to found his first company, 'Carl Benz and August Ritter, Engineering Workshop', in Mannheim. When Ritter emerges as an unreliable partner, Carl Benz is forced to pay him off using the dowry of his wife, Bertha Ringer, and runs the company alone. From 1878, Carl Benz works intensively on a gas-driven two-stroke engine to realise his vision of a 'vehicle without horses'. After long and laborious attempts, he gets the engine running for the first time on New Year's Eve in 1879. He founds the 'Gasmotorenfabrik Mannheim' (Mannheim Gas Engine Factory) as a shareholding company in October 1882. Benz's share in the company amounts to a mere 5 per cent, however, and he has only limited influence in technical areas. His backers are primarily concerned with the safe business of stationary gas engines.
The king of designers » (Mercedes-Benz history[31])

[30][https://www.mercedes-benz.com/en/mercedes-benz/classic/history/corporate-history/] [(Mercedes-benz history, n.d.)] [Saturday, May 26th, 2018 at 4:45 p.m]

- **Wilhelm Maybach**

« Wilhelm Maybach is born in Heilbronn on 9 February 1846 as the son of a master joiner. Orphaned at ten years old following the death of both parents within three years of each another, Wilhelm is adopted into the Reutlinger Bruderhaus in 1856 after friends of the family print an announcement in the 'Stuttgarter Anzeiger' newspaper. It is during his schooling at the Bruderhaus that Wilhelm Maybach first becomes acquainted with Gottlieb Daimler whilst working in the machine shop in 1864. Their close relationship will endure throughout their lives. Wilhelm Maybach initially follows Daimler to Karlsruhe and then in 1872 to the engine manufacturer Deutz. Following a brief stint employed as a draughtsman, he is appointed head designer in January 1873. When Gottlieb Daimler leaves the Deutz Gasmotorenfabrik following internal wranglings, Wilhelm Maybach joins his friend in Cannstatt in October 1882. Here they collaborate in the development of a lightweight, high-speed combustion engine. Daimler-Motoren-Gesellschaft (DMG) is founded in November 1890 by Daimler and two business partners, Max Duttenhofer and Wilhelm Lorenz. Although Wilhelm Maybach was in line to assume the position of head designer, he is unhappy with contractual terms and leaves DMG in February 1891. What follows is a remarkable temporary solution. Secretly funded by Daimler, Maybach continues to improve his mobility concept.

Working together in the Cannstatt district of Stuttgart, Gottlieb Daimler and Wilhelm Maybach are faced with a considerable challenge: To develop a high-performance engine capable of driving a vehicle. Due to their weight and size, the “drive machines” available at the time are unsuitable for installation in a motor carriage. The two engineers would have to develop miniature versions of existing designs to produce a drive concept in line with Daimler’s plans. A light, compact design are key factors in this process. On this basis, Daimler and Maybach build a test engine with a vertical cylinder, which is christened the “Grandfather Clock” due to its appearance. The output of the 1884 design is around 1 hp (0.8 kW) with an engine speed of 600 rpm. The compact, weight-saving construction makes it ideal for installation in vehicles. It is subsequently used in the Daimler Reitwagen (“Riding Car”) and the motor carriage. This design paves the way for Daimler and Maybach to install an engine in a motor vehicle.

- **The world’s first motorcycle**

Based on the Grandfather Clock template, Gottlieb Daimler and Wilhelm Maybach build a smaller single-cylinder engine. The first test object is a bicycle-inspired “carriage” with a strengthened wooden frame. It becomes known as the “Daimler Reitwagen” (“Riding Car”). Installing the engine vertically in the wooden frame, Gottlieb Daimler essentially invents the motorcycle. On 28 August 1885, Daimler is awarded Patent specification DRP 36423 for the “vehicle with gas or petroleum drive machine”.

Working with a small team in the Hotel Hermann in Cannstatt, he develops significant design concepts, including the belt drive, the Phoenix engine and the spray nozzle carburettor – inspirations that are used in the automobile industry for decades to come. Gottlieb Daimler and Wilhelm Maybach are reinstated at DMG in November 1895 at the behest of English industrialist Frederick Simms, who negotiates a substantial licensing business with the company. Maybach’s primary objective is to re-establish DMG’s competitive capacity through technical innovation and reliable products. Extensive development work is implemented to advance the concepts devised in the Hotel Hermann to series production status. The most significant outcome is the belt-driven car, the first automobile to be produced by DMG in considerable quantity. Following the death of Max von Duttenhofer in August 1903, Maybach’s standing within the company gradually deteriorates, leading to his eventual resignation from DMG in April 1907. Embittered by his treatment, Maybach goes into business with his sons constructing the now legendary vehicles bearing his own name. Wilhelm Maybach dies in Cannstatt on 29 December 1929 at the age of 83. This is where the automobile pioneer is also buried – close to the grave of Gottlieb Daimler at the Uff-Kirchhof cemetery. » (Mercedes-Benz history)

- **Benz & Cie**

« The first steps Benz & Co. Rheinische Gasmotoren-Fabrik (renamed Benz & Cie. in 1899) is founded in Mannheim by Carl Benz in October 1883 in collaboration with businessman Max Kaspar Rose and sales representative Friedrich Wilhelm Esslinger. Proving an immediate success, the company workforce increases rapidly to 25 employees. The newly established business even grants licenses for building gas engines. Due to a growing demand for stationary engines, Benz & Co. Rheinische Gasmotoren-Fabrik is compelled to relocate to more spacious factory premises. While Carl Benz is working vigorously on the development of a car engine, his business partners Rose and Esslinger are becoming increasingly sceptical of the future prospects for Benz's brainchild. They are replaced in May 1890 by Julius Ganss and Friedrich von Fischer. On his departure, Rose even leaves Benz with the well-intended snippet of advice: "Don't waste your time on motor cars." The appointment of the new partners sees Rheinischen Gasmotoren-Fabrik Benz & Cie. evolve to become the second-largest engine manufacturer in Germany, and the world's leading producer of automobiles up to the turn of the century. The economic breakthrough comes with the four-wheeled motorised Velocipede – commonly known as the "Velo" – which is produced between 1894 and 1901. »

- **The world's first automobile**

«The financial success of his gas engine factory secures Benz an economic basis, enabling him to devote himself to his vision of an engine-driven vehicle. But since his two-stroke engine is too large and too heavy to be installed in a vehicle, Benz puts all his efforts into the four-stroke principle. Just like Gottlieb Daimler and Wilhelm Maybach, he has to find a way to increase engine speed. And, just like the Cannstatt engineers, he focuses on ignition and valve control. Although his engine reaches a speed of "only" 400 rpm and is therefore less efficient than Daimler's design, it already provides the necessary power to drive a "vehicle without horses". Carl Benz demonstrates the full extent of his talents in developing the vehicle. Instead of installing his engine in an existing vehicle, he designs his motor car as an integrated independent construction. The primary assembly is the engine with a horizontal cylinder and large, horizontally mounted flywheel. Benz designs his innovative vehicle with three wheels because he is unhappy with the single-pivot steering used in carriages at the time. Testing begins in October 1885. On 29 January 1886, he takes a step of historical significance when he submits a patent application for his "vehicle with gas engine operation" to the Imperial Patent Office. The patent specification for DRP 37435 is recognised today as the "birth certificate" of the automobile and bears the name “Patent-Motorwagen” (“Patent Motor Car”) for the world’s first automobile. »

- **The maiden long-distance journey**

«Bertha and Carl Benz marry on 20 July 1872. Benz later writes in his memoirs: “With this step, an idealist is at my side who knows what she wants, from the small and narrow to the grand, clear and vast.” Supporting all her husband’s activities and sharing his pioneering spirit, Bertha Benz turns out to be a key factor in the success of Carl Benz. She is the first person to undertake a long-distance journey with a petrol-driven automobile. To demonstrate the everyday suitability of the motor car in practice, she drives with her sons Eugen (15) and Richard (14) the 100 km distance from Mannheim to Pforzheim to visit her mother. Her vehicle is the third version of the “Patent Motor Car”, equipped with solid wood spoked wheels and a more powerful engine. Starting at daybreak and following an adventurous drive that requires considerable improvisational talent from Mrs. Benz and her sons on numerous occasions, the travellers arrive in Pforzheim. The return drive five days later leads through Bretten, Bruchsal and Schwetzingen back to Mannheim. The word of this sensation gets out in no time and Bertha Benz has achieved her goal. The critics now knew of the vehicle’s reliability and the Benz Patent Motor Car was the talk of the town. »

- **The first omnibus with petrol engine**

«The age of the motorized motor coach dawns on 18 March 1895. The world’s first motor coach, ordered on 19 December 1894 from Benz & Co. in Mannheim, begins a scheduled bus service on the route Siegen–Netphen–Deuz. Due to poor weather and technical problems, the bus service is stopped as early as December 1895. The Daimler omnibus experiences the same fate on the Künzelsau–Mergentheim route. Despite these setbacks, DMG has a wide selection of motor coaches in its sales range to satisfy the increasing demand for motorised omnibuses starting in 1905. »

- **The world's first truck**

«The first truck built by the Daimler-Motoren-Gesellschaft is delivered to the British Motor Syndicate, Ltd. in London on 1 October 1896. The world's first truck is equipped with a 2-cylinder "Phoenix" engine built into the rear end. It develops 4 hp and is designed for a cargo load capacity of 1500 kg. Unlike England, motorised commercial vehicles are initially not in high demand in Germany. This changes in 1906, however, when the Prussian and Bavarian army administrations begin to subsidise trucks suitable for war – leading to a sharp increase in demand.
The businessman and automobile enthusiast, who has domiciles in Baden near Vienna and Nice, buys his first Daimler car in 1897 and from then on demands more powerful and faster vehicles from Maybach and DMG. With spectacular racing victories and impressive sales success, Mercedes vehicles usher in a new era. »

- **1901: The first Mercedes.**

«The first contemporary automobile Due to his premature death, Gottlieb Daimler does not witness one of the most outstanding designs Maybach produced for the joint company. The first Mercedes generates great excitement at the "Nice Race Week" in March 1901. It is a powerful, lightweight vehicle with a low centre of gravity and stands out from all previously built cars. The 35 hp Mercedes is an independent automobile design. It signals the end for the carriages used in automobile manufacturing. The development of this pioneering design, which is considered to the first modern automobile, is not only attributed to the genius of Wilhelm Maybach, but also to the initiative of Emil Jellinek. »

- **1909: The three-pointed star on all routes.**

«From September 1902 DMG holds the patent for successful "Mercedes" brand name. All that is missing is a characteristic trademark. That's when the sons of Gottlieb Daimler, Paul and Adolf, remember, that their father previously used a star for a symbol. The DMG Board of Management follows this inspiration and in June 1909 registers both a three-pointed and four-pointed star as trademarks. Both logos are legally protected but it is the three-pointed star that is ultimately used and a three-dimensional star adorns the front radiator of vehicles from 1910 onwards. With the

merging of both companies in June 1926, a new brand name is created, which combines the essential elements of the previous emblems.
The world-famous three-pointed star of the Daimler-Motoren-Gesellschaft is framed with the brand name 'Mercedes' as well as with the celebrated brand name 'Benz' – both words connected with a laurel wreath. »

- **1926: Daimler-Benz AG. The merger.**

«The period after World War I is badly affected by inflation and poor sales figures – especially for luxury goods such as passenger cars. Only strong brands marketed by financially stable companies are able to survive. Businesses are often forced into mergers or partnerships. Competitors for many years, DMG and Benz & Cie. enter into a joint venture in May 1924. They focus on remaining competitive through coordinated designs, production techniques, purchasing strategies, sales and advertising. The joint marketing activities of the "Mercedes" and "Benz" brands are initially handled by the newly founded "Mercedes-Benz Automobil GmbH". The fusion of the two oldest automotive manufacturers in the world takes place in June 1926 when Daimler-Benz AG is established. The new company presents the first Daimler-Benz product range as early as October at the 1926 Berlin Motor Show. The exhibition sees the unveiling of the first jointly developed passenger car models launched under the new Mercedes-Benz brand name: The 8/38 hp two-litre car (W 02) and the 12/55 hp three-litre model (W 03).»

(Mercedes-Benz history[32])

[32]https://www.mercedes-benz.com/en/mercedes-benz/classic/history/corporate-history/ [(Mercedes-benz history, n.d.)] [Saturday, May 26th, 2018 at 4:45 p.m]

3.1.2. **The history of «AMS Mercedes-Benz»**

Algerian Motors Services Mercedes-Benz is an Algerian joint venture created in December 2016, AMS MB was created between the Industrial Vehicles Development Institution – an institution that belongs to the economic sector of the ministry of defense –, the National society of Industrial Vehicles relevant to the Ministry of Industries, and Abar Investment PJS an Emirati company. The capital of the company is shared respectively 34 percent, 17 percent, and 49 percent.

AMS MB has the mission of commercializing, selling and distributing the Mercedes-Benz vehicles assembled in Algeria by the other partners: SAPPL, and SAFAV.

Also AMS MB guarantees After sales services of all sold Mercedes-Benz vehicles.

3.1.3. **Activities & objectives of «AMS Mercedes-Benz»**

Algerian Mercedes-Benz sells a multitude of Algeria assembled Mercedes-Benz vehicles such as the Class G, trucks (Actors, Zetros, Unimog), Vans and buses. Before the opening of AMS MB, SAPPL and SAFAV had to guarantee by themselves the commercialization, the selling and the After selling services and in order to do so, that needed huge number of employees and means in order to respond to clients and in order to guarantee clients satisfaction.

So the opening of AMS MB came as a mean to guarantee client satisfaction and better service due to a commercial and a systematic organization that was put in place in order to respond to particular services

3.1.4. **The economic and social importance of «AMS Mercedes-Benz»**

The creation of Algerian Motors Services Mercedes-Benz came with the aim of developing the network of the Algerian assembled Mercedes-Benz vehicles, with the aim to promote locally assembled vehicles and also to promote the local industry.

Algerian Motors Services Mercedes-Benz has a major importance in strengthening the presence of the vehicle industry in Algeria, thus it represents and sells the products of two major assemblers in the market.

AMS MB with its national presence, it was able during the last year to build a huge network of clients, from both the public and private sector. With the aim to grow more AMS MB put in

place an excellence center, an academy, and a commercial network with Mercedes-Benz standards.
With the horizon of 2020 AMS MB has the ambition of the international presence and as an objective the African market with Algeria as a distribution plate-form, but not just limited to selling AMS MB is looking forward to supply solutions and training to its clients across the globe.
As a distributor AMS MB is working ahead with its partners to be able to respond to the market's needs.

Section II: **Recruitment process and policy at «AMS Mercedes-Benz»**

Based on the fact that AMS MB is a start up and one of its biggest challenges or tasks is recruit people, and we all know how difficult to attract people especially senior profiles to a newly established company, so one of the first tasks that AMS MB put ahead is put in place a recruitment process that can guarantee a certain clarity and organization in recruitment.
As it is well known that recruitment is a big and a risky investment, because once we decide to recruit a person, we are also taking the risk of whether this recruitment is the right one or not, knowing that it is a costly operation.
In order to avoid heavy costs or failure during recruitments, AMS MB decided to define a recruitment process that includes few steps and can help to avoid wrong decision.
The process goes through few steps as detailed below:

a) Recruitment need identification

The recruitment process at AMS MB starts with the identification of recruitment need, and it's the HR's role to sit with the line manager or with supervisor and try to understand the best position or job opening, sometimes it's needed to have couple sessions before launching the search, and other times it's only enough to send a brief description of the job position if the job position isn't a senior one. Understanding the job position requirements and qualifications is a must, because later on during job interviews, those will be the skilled to be assessed by the interviewer, and also the candidate will be paid according to his qualification, thus it is very important to identify the skills and the profile required for the position.

Among the most important points to be identified are:

- The position to be opened and the budget for each position
- The role of each position and job description of each position with all the needed details
- The expected integration date of each member after the opening of the position (the identification of the expected integration date is very crucial for the business, because sometimes many structures rely on that position, and based on the date given they would arrange their future plans)
- The career plan of that position, because this could serve as a retention facto.

While planning any recruitment, the HR must first identify what type of recruitment they need to do, whether a permanent position, temporary job opening, or a trainee position.

Usually it is preferred for entry positions to have trainees or new graduates, because those are more ambitious to discover the business, and the tasks given are not so challenging, thus it is preferred to have someone who will spend half of his time discovering the business world and the other half on achieving his tasks and going step by step forward to acquiring new skills.

b) Sourcing

After the HR identifies, the recruitment need and job opening or the position, the HR launches through its available canals the search for the right or adequate candidate, and that's what we call the sourcing. The candidates sourcing might take a lot of time if the position is a senior one, because a lot of readying and CV analysis are required.

AMS HR team uses the network as the main tool of sourcing, mostly the recruitment specialist searches profiles on LinkedIn and contacts them to see if they were interested or open to a new proposal, and here if the person shows his or her interest with a new opportunity, the recruitment specialist requests a CV in order to continue with the process.

The recruitment specialist collects CVs and then analyses them to see whether they match the need or not. All the CVs are to be classified or archived according to their profiles, whether a current position is open or not, all CVs are to be saved for a future opening.

It is very crucial and challenging to attract the best candidates or even find them, because that type of candidates is mostly not in active search for new employment and that makes so hard to find them.

So in order to win the time and fill in open position, a proactive search is a must, the wait for candidates' applications is not the solutions, since big part received CVs or application don't meet the company's expectations.

The best methods of sourcing gives the recruiter the chance to search in a big pool of candidates, and practically LinkedIn is the best pool candidates provided nowadays, since it provides free and open access to hundreds of thousands of candidates. The advantage that direct sourcing provides is an open line or connection pipe with candidates we want, it prevents us from having hundreds of CVs that we don't want, and mostly we lose the CVs we want among those hundreds of CVs, just because we might take long time to check all of them, or maybe sometimes we skip some of them when we get exhausted from reading that big number of CVs. It's advised that we better source our candidates, because it is a time, effort, & a cost saver.

c) Short listing

It is timing and cost consuming to call candidates to interviews, and in order both time and cost, it is advised that another selection or a short listing is necessary and that's in order to walk only those with the adequate qualifications. After identifying the pool of qualified candidates or candidates with CVs that practically match the job description or job requirements, another filter or selection is needed in this step in order to choose those with the most adequate match.

A list of criteria is to be put in place to help do short listing some are based on soft skills and others are based on hard or technical skills, thus the presence of line manager or the supervisor during the short listing is mandatory, because they are the one to know the best the best fit for the position.

The short listing must be objective and far from believes, or preconceived ideas or thoughts, for instance, a CV picture that we did not like, or maybe a school or a company that we had been to and we don't like, and then we find it in someone's CV.

The short listing must be very objective and can include as criteria, education, experience, and skills.

At AMS MB we pay careful attention in applying the above, and giving an equal chance to every candidate with needed skills based merit.

d) Line manager or supervisor's interview

When the HR team or the recruitment specialist sees that a CV meets a job opening, the recruitment specialist suggests the candidate to concerned line manager or the supervisor, and then arranges an interview with the line manager or the supervisor.

After the interview, the line manager or the supervisor fills in the evaluation form; the evaluation form includes different parts, where the manager can fill his evaluation about the candidate's knowledge, his skills, his qualifications and at the end a general conclusion and his decision.

If the candidate is approved by the line manager or the supervisor, a committee interview must take place.

The line manager's or the supervisor's is a very important step during AMS's recruitment process, because during this step, the line manager or the supervisor chooses which candidate or candidates to select for a committee interview.

This interview is mostly evaluated based on the candidates knowledge and skills (Know how, know, attitudes) but it is more focused on knowhow.

e) Committee interview

The committee is consisted of the HR Manager and the Key Accounts Manager, after careful evaluation, the committee announces through its evaluation form its final decision about the candidate's application, and whether it's approved or not.

Responding to the recruitment need of all the company is a very big task now, and that must be taken care of very carefully, because all the activity depends on the personnel that the HR is supposed to recruit.

f) Offer & contract signature

All retained candidates are informed by phone, or by email. An offer is be issued and sent by email to the concerned candidates. In order to prepare the offer the candidates are usually requested to prove their current or last salary by their pay slips, and this very important to the company in order to guarantee the internal equity.

As a support function the HR team has a major role in bringing the best talents available in the labor market, and that's in order to be able to face the challenges ahead.

g) Integration and induction program

Integration is the first step toward a career with a company and the most important step, because here the employee discovers the key elements of the company's culture and policies, and in order to guarantee an adequate integration and induction program I have worked on an induction program that can meet the expectation of new employees.
Adopting a new employee into the company's culture is a hard task, thus I have established a new induction program as detailed below:

Table 2: Algerian Motors Services Mercedes-Benz induction program

Mercedes-Benz

AMS-MB

INDUCTION PROGRAM

FOR NEW EMPLOYEES

The induction program lists suggested activities to be covered from day one through to the end of probation.

SESSION/ACTIVITY	SUGGESTED CONTENT OF SESSION	SCHEDULED TIME
1. Introduction to the company and work area 2. Introduction to other members of staff Welcoming the employee and letting him get closer to his colleagues from the first day. Person in charge – to be assigned	• Brand & company presentation • Mission, Vision, Objectives of work area • How the work area fits in to the wider Company • Go through organization chart • Discuss roles and responsibilities of staff in general terms. • May also want to extend time to allow visits to key contacts out/with work area	02 Hours (D1)

3. Terms and Conditions of service, amenities and welfare facilities. Person in charge – to be assigned	• Ensure new start has viewed and understood information contained in the Information for New Employees this contains important information on terms and conditions.	30 minutes (D1)
4. Performance Standards Person in charge – to be assigned	• Outline specifics of job role – (job description) • Define goals, objectives, and expectations • Review probation and performance and development review/ appraisal process.	30 minutes (D1)
5. Culture of the Work area Person in charge – to be assigned	• Make new start aware of local arrangements regarding hours of work, holiday requests, sickness procedure, after hours working, dress code, lunch arrangements, etc. • Briefing about the remuneration system and payroll functionalities.	30 minutes (D1)
6. Welcoming lunch and site visit Person in charge – to be assigned	• Accompany to catering space • All key operational and social areas to be visited. (e.g. Offices, Show room, Catering Facilities, workshops...)	02 Hours (D1)
7. Job Specific Training and Development Person in charge – to be assigned	• Role specific development needs should be reviewed and a suitable program of training should be planned that aligns the individual's skills to their core duties. • Staff with line management responsibilities should be clear as to their duties and attend any relevant training. • Outline the use of annual performance and development reviews as one method for determining ongoing role specific development needs. • Introduce Company wide training and development opportunities available to staff. • Review use of personal development planning tools (i.e. PDP)	02 Hours (D1)
8. Health and Safety Person in charge – to be assigned	• Physical – fire exits, fire alarms, fire evacuation procedure, fire-training arrangements, manual handling, first-aid arrangements, VDU usage, and other arrangements as required.	02 hours (D2)

9. Company Systems Person in charge – to be assigned	• Review processes for using office equipment such as: computer, telephone, voicemail, fax, printer, photocopier, etc. • Review computer security, and software usage. • Other Company procedures e.g. internet and e-mail usage, transportation and parking, etc.	The rest of D2
10. Company Procedures Person in charge – to be assigned	• Common operational procedures • A specific training program has to be set by the line Manager as per the employee function needs	D3-D5

NB: It is important that the Induction program is monitored and reviewed.
Throughout the period regular review meetings should be held and any adjustments made.

(B. Atmania, 2018)

All range of profiles from all departments are to be hired, and the respect of the above process is a must to guarantee the transparency of recruitment and also to guarantee that the activity doesn’t block or stop because of lack of personnel.

Section III: Retention policy at «AMS Mercedes-Benz»

As a start up or a newly created company AMS faces big challenges in retaining its staff members, and especially those push forward to project of AMS MB. In any company a departure can sometimes affect heavily the rest of the company or the team, and in a start up any departure can affect heavily the whole activity. When people leave the company, others are indirectly influenced by this departure and they might even start thinking about leaving because they feeling unsafe.

Many factors can push employees to leave, and in a start up even those small factors can push people to think about leaving, or to seriously quit the company.

Having a high turnover cannot in any case be in the side of the employer, thus paying attention to employees and their needs is a very important mission.

The employer-employee relationship at AMS MB is under construction and for that the head titles of this relationship must be defined and careful care must be given in order to build a pure relationship that can lead to clean and stable work environment.

In the way to build this relationship AMS MB is working on list tasks that can push to employee retention in a long term.

Starting form integration, where a full and complete induction program is assigned to make sure that the new employee understands fully the objectives and the aims of AMS MB and its culture and code of conduct. The best understanding of the company's objectives may lead integrity afterward, because the employee needs to believe on the company's project.

A mentorship program is also included in the induction program, and that's in order to give the new employee a buddy that can help him understand the structure of the company, and whom to address when he or she needs a specific document or information.

A monthly rewarding system is put in place in order to reward best employees and according to their achievements and punctuality. This system is put in place in order to encourage employees and make them understand that what they do matters.

Section IV: Evaluation of the recruitment process and retention strategies at «AMS Mercedes-Benz»

1.1 Evaluation of the recruitment process at MAS MB

The importance of a process application is very high, because when a process is established, the aim from that is to work according to that process, and adjust accordingly. What I noticed from my mission with AMS MB is that many lacks occurred during the recruitment process by the HR team.

Most of the times the recruiters are contacting candidates for potential opportunities, however this results in collecting a huge number of CVs that big part of them match the current and the future needs of recruitment, and as a matter of fact, the CVs sent at a certain point of time, are archived, and treated afterward, the time where the CVs are treated are no longer recent, and one the other problems that archived CVs are only archived by first and last name, instead they are supposed to be archived by profile in order to make easy to find them in the future if a position opens.

An HR information system is needed to archive candidates CV with the necessary details instead of using excel and classic means.
Also application forms are paper based, and when candidates come for line managers' interviews they fill the application form, but the last is archived until the line manger takes a decision and it might long time before the last does so. An electronic based application form is better to manage with efficiency the applications.
The lack of certain job descriptions and the absence of control over recruitment need is also a huge obstacle because in this case the recruiter might be missing a considerable number of candidates, just because he did not understand the position properly.
The long periods spent between sourcing, first interview, second interview, and the offer made the company loose several good candidates, the HR must focus more a fewer number of candidates until their recruitment is finalized better than having a huge number of candidates in process and then risk to lose the best ones.

1.1 Evaluation of the retention strategy at MAS MB

AMS MB is today applying a very simple and basic retention program that cannot actually retain a big number of employees, with absolutely no strategic work force planning and career planning besides the words that are still not written to become a process or a plan that employees can rely on in order to attain they future ambitions.
The unique retention or motivation policy is the individual and collective bonus that employees benefit from based on their achievements during the month, but this is completely not enough to retain most of the staff members and a lot of adjustments need to be done, and that if there is a willingness to reduce the turnover.
Employees need effective retention strategies that include encouraging a sense of community ownership, social opportunities, recruiting a suitable leader and offering flexibility and support. Promotion opportunities and career planning.

Questionnaire

The questionnaire that I have elaborated was sent only to the employees of AMS MB, and that's in order to strengthen my search and the results obtained.

1. **The methodology**

This questionnaire is set based on the conceptual approach and the elements of the case study mentioned above, and its aim is to assess retention policy adopted by AMS MB toward its employees.
The questionnaire is divided into two main parts; the first is about general information that concerns the targeted audience of this questionnaire. The second part includes questions that are aimed to assess the appreciation (Satisfaction / dissatisfaction) of the employees.

I have used basic model of questionnaire with the help of survey monkey (an online free tool)

A. . Questions about general demographic information

For instance: What is your position title?

B. . A multitude of multiple choice questions

For instance: What is your employment status?

- Permanent
- Temporary
- Trainee

C. Several open questions to give the employees the chance to express their thoughts

For instance: Please in no more than two lines comment about the current work environment.

2. **The results of the questionnaire**

- The percentage of employees who replied to this questionnaire is 79 %
- The number of employees that replied to the questionnaire were 83 from 105 divided as below:
- 16 women
- 67 man
- Among 81 permanent employee and 2 employees with limited contracts.
- 56 % of the employees have over 10 years of experience
- 23,78 % of the employees have between 5 and 10 years of work experience
- 20,22 % of the employees have under 5 years of work experience

Table 3: questionnaire answer results

Strategy/policy	Satisfied	Neutral	Dissatisfied	Needs more adjustment	Does not exist
Internal regulation		8,11%	87.23%	4,66%	
Career planning	12%		24,3%	20,12%	43,58%
Benefits & compensation system		10,4%	20%	60,7%	8,9%
Recognition policies		36,5%	21,9%	32,87%	8,73%
Work conditions	69,52%	11,9%		18,58%	
Annual bonus					100%
Training	12,44%		34,7%	23%	29,86%

3. Interpretation of the results shown above

The above results show that an important part of the employees are dissatisfied with current policies of the company, we take for instance the internal regulations, 87.23% are not happy with the current regulation, we take also for instance the B & C system 60,7% of the employees are requesting an adjustment of that last.

We can conclude from the results of the questionnaire that current policies do not meet the expectations of the employees and it can keep pushing the turnover higher, thus further steps are required in order to implement new policies that can at least raise the overall satisfaction over 50%.

Conclusion of chapter three

The third chapter is rapprochement between the theoretical foundations we discussed earlier in chapters one and two and this chapter, which talks about the application of theoretical foundations in a real experience and the accuracy of this experience with theoretical foundations. This last chapter gave me the chance to evaluate a real system and the possibility of integrating new adjustments to that system based on our preconceived knowledge.

From the third chapter we can conclude that the establishment of an adequate recruitment process and a retention strategy needs a perfect understanding of the theoretical part and the existing conditions.

This chapter is also an analysis of a real experience of recruitment and retention policy, that led me to suggest real adjustments that could help re-organize the process for better results.

All the factors must be taken in consideration while implementing such processes.

General conclusion

My research had an objective of supporting the recruitment and the retention strategies with new ideas and evaluate the current ones.

From the moment I chose this theme (recruitment & talent retention), I discovered that I chose a very sensitive topic especially when it comes to retention strategies.

This study affected a lot a big number of employees at AMS MB, because people there had a lot to stay about the retention strategies that are currently used, and they expressed their ambitions to better retention strategy programs.

I could conclude from my research the following results:

Having a complete and an adequate recruitment process & retention policy is based on the comprehension and the sense of these last.

A complete process requires careful attention, and consideration of every aspect that takes part of the process.

The lack of clarity and vision during the recruitment process is due to the anarchy that we believe it is the organization. A good process must reply to everyone's expectation, among the candidates, and the line managers.

In the second half of this thesis where retention is treated, I can conclude that whether classic theories or modern theories took in consideration very important aspects the employee as a human being, and explained that the expectations of a human being are organized in the same order whether at work or at home, thus, having strategies to respond to these growing needs is really important.

- At the end and in order to give this thesis its value, I need to conclude with few headlines on how to adjust the best way possible recruitment and especially retention policies at AMS and most of the Algerian companies that mostly adopt the same culture.
- The need to take in consideration what theorists discussed before and put the stress on.
- Develop and adopt new ways in applying what was already discussed and analyzed by theorists and in this research.
- The implication of all concerned parts while defining the recruitment process.
- The implication of employees while defining retention policies, because they are the one to know the best what can motivate them.

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Summary