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Retention of high-potential employees in a development finance company

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Orientation: The loss of high-potential employees was a concern to leaders at a South African development finance company. The research question that guided the study was: How can high-potential employees be retained in the company?

Research purpose: The objective of the study was to identify factors that positively impact the retention of high-potential employees in a development finance company.

Motivation for the study: The organisation that comprised the unit of study had prioritised employee development to retain high-potential employees, thereby aiming to build a strong talent pipeline and a sustainable knowledge base. A prevalent concern was that there were no formal retention programmes for high-potential employees. Accordingly, organisational leaders could benefit from understanding those retention factors that may serve to retain such employees.

Research design, approach and method: A qualitative methodology promoted a deeper understanding of a social problem through a case study. Eleven purposefully chosen high-potential employees provided insights into factors they considered to be important in their retention. A content analysis of the data resulted in clusters of themes that addressed the research objective.

Main findings: The following factors appeared to influence the retention of high-potential employees: leadership and organisational culture, organisational purpose, developmental opportunities, meaningful work and collegiality.

Practical and managerial implications: Leaders in the company should consider factors that could influence the retention of high-potential employees. Such factors should be built into formal retention strategies based on the intrinsic needs of employees; the strengths that the organisational culture provides could be leveraged in this regard.

Contribution: The practical value of the study was the highlighting of the factors that can be leveraged to retain high-potential employees in a development finance company.

Introduction

The inability to retain high-potential employees poses a concern to many organisations (Castellano, 2013), which are at risk of losing business knowledge when an employee leaves (Ortlieb & Sieben, 2012). In this process, leadership strength is damaged (Hausknecht, Rodda & Howard, 2009) and the organisation has to incur unnecessary costs by constantly replacing staff with those of the same calibre (Fritz, O'Neil, Popp, Williams & Arnett, 2012). Retention is 'the ability to hold onto those employees you want to keep, for longer than your competitors' (Johnson, 2000, p. 34).

The present case study focused on understanding retention factors for high-potential employees at a niche South African development finance institution with a complex business model, different from that of traditional asset-backed financiers. Such an institution is one that provides access to financial and support services to an underserved market with the aim of contributing to the sustainable growth of the economy (Association of Development Financing Institutions in Asia and the Pacific, 2013). A development finance institution is 'an alternative financial institution which includes microfinance institutions, a community development financial institution and revolving loan funds' (Levere, Schweke & Woo, 2006, p. 2). These loans carry a higher risk in comparison to those offered by traditional lending institutions in developing countries.

The environment in which the company operates is competitive, tightly regulated and high risk. Because of its entrepreneurial nature, organisational structure and the industry in which it

operates, retention of high-potential employees has become a crucial objective in the last 3 years and this objective has been translated into a key focus area for the human capital team. The company defines a high-potential employee as someone who is aligned to the organisation, who fulfils a critical role or has scarce skills, who fits into the organisational culture, who has a positive outlook and who is resilient.

Purpose

Ingham (2006) suggests that retention of good employees is important for organisational success. There is scope for further research to understand the complexities of retention strategies and how they may influence retention of high-potential employees at a South African development finance company, with some cautious extrapolation, perhaps, to the broader industry. In light of this motivation, the research problem that the present study sought to address was to understand factors that may aid the retention of high-potential employees within the company. The research question, thus, was: what factors retain high-potential employees within a development finance company?

Literature review

The importance of retaining high-potential employees

Employee retention has become a global quest because employees contribute to organisational success (Ortlieb & Sieben, 2012). For an organisation to remain competitive, it must employ the most talented people within the market (Castellano, 2013). This is particularly relevant to the financial sector (Mohlala, Goldman & Goosen, 2012). However, top-performing employees are sometimes overlooked as organisational assets. As a result, they may become dissatisfied with and disengaged from their current employers and begin to look for new opportunities where they feel more highly valued (Hughes & Rog, 2008). Trying to replace talent and train new employees to function as productively as their predecessors is a growing challenge for financial institutions (Vasishtha, 2009).

Characteristics of high-potential employees

A talented individual is one who drives exceptional business performance through competence, commitment and contribution (Hayashi & Dolan, 2013). McKinsey and Company (2001) offer a similar description, explaining that a high-potential employee is someone who demonstrates consistent levels of high performance, is capable of lateral or upward movement and has reached the potential to move upward, more commonly into management or supervisory positions. To this list, Allen, Bryant and Vardaman (2010) add that the individual must possess robust business knowledge and contribute soundly to the business. High-potential employees are more likely to become the future leaders of an organisation (Hausknecht et al., 2009) and possess several core characteristics including, but not limited to, creativity, autonomy, resilience and learning potential (Kyndt, Dochy, Michielsen & Moeyaert, 2009). Joo and Mclean (2006) note that employees who are engaged and

committed should be considered strategic assets in an organisation as they possess 'the set of difficult-to-trade-and-imitate, scarce, appropriable and specialized resources and capabilities that bestow a firm's competitive advantage' (Amit & Schoemaker, 1993, p. 36).

Factors that impact retention of high-potential employees

It is important that employers endeavour to retain high-potential employees and replace the low performers with new employees with diverse skills and strong ability (Holtbrugge, Friedman & Puck, 2010). Turnover can be considered positive if talented employees are retained while lower performers leave the organisation (Hausknecht et al., 2009).

The term 'talent management' relates to:

> the implementation of integrated strategies or systems designed to increase workplace productivity by developing improved processes for attracting, developing, retaining, and utilising people with the required skills and aptitude to meet current and future business needs. (Lockwood, 2006, p. 2)

Talent management implies that companies are purposeful in the methods used to engage with new employees who are considered to have high potential. These strategies include selection techniques, the provision of developmental opportunities, promotion and mobility in the organisation (Ingham, 2006). Talent management also includes the manner in which performance is driven (Schiemann, 2013).

Blanket retention policies are often unsuccessful and disadvantageous to an organisation if they appeal to employees at all levels and are not segmented (Vaiman, Scullion & Collings, 2012). It is crucial that organisational leaders or human resource practitioners understand which factors help to retain employees specific to their own organisations. Retention schemes that are successful in one organisation may not necessarily achieve retention at another (Sinha, 2012).

Some of the key factors that have been shown to impact the retention of high-potential employees include organisational culture and values, self-actualisation, leadership, communication, work–life balance and reward and recognition (Trevisan, Veloso, Da Silva, Dutra & Fischer, 2014).

The variation in employee retention across organisations may be related to organisational culture (Kerr & Slocum, 2005). Organisational culture is described by Schein (2006, p. 236) as a 'set of shared, implicit assumptions that a group holds and that determines how it perceives, thinks about, and reacts to its various environments'. Similarly, Chatman and Cha (2003) explain culture to be a system of shared values and norms. Employees become energised when the culture appeals to their higher ideals and values (Liden, Wayne, Lioa & Meuser, 2014).

Linked to organisational culture, organisational commitment is often enhanced by the relationship the employee has with

the organisation, especially if the employee is aligned to the organisation (Messmer, 2004). Leaders should ideally enhance employees' personal links to the company, thereby enabling employees to better understand how their individual successes contribute to the overall success of the organisation (Sun & Anderson, 2012). If employees are well socialised into the organisation and identify with the corporate culture, their commitment is likely to be enhanced (Kinicki & Fugate, 2012).

Personal values of individuals influence their beliefs, behaviour and the decisions they make in the workplace (Alfes, Shantz, Truss & Soane, 2013). If employees identify with the values of the organisation and believe them to be similar to their own, they are more likely to stay with the organisation (Grojean, Resick, Dickson & Smith, 2004).

High-potential senior employees often try to achieve a level of self-actualisation (Gupta & Tayal, 2013). They are on a constant journey to be the best possible versions of themselves (Ramlall, 2004). They need to feel that they are learning, advancing and remaining competitive in relation to their industry peers and see this as leading to opportunities for promotion and career advancement (Kyndt et al., 2009). If they do not feel this way, the likelihood of them exploring new external job opportunities increases (Sageer, Rafat & Agarwal, 2012).

Leadership is fundamental to the retention of high-potential employees and should be reflective of the organisational culture (Paul & Berry, 2013). Kaiser and Hogan (2010) argue that standing by business ethics and displaying personal integrity are prerequisites for good transformational leadership. If leaders are perceived to be lacking integrity, it is likely to harm the trust and the relationships required to build and sustain effective working relationships with high-potential employees (Kaiser & Hogan, 2010).

Leaders, through the organisational culture, provide employees with informal direction on how to execute their roles to achieve the strategic objectives (Grojean et al., 2004). They also encourage employees to take ownership of their actions and consequently, high performers are likely to excel (Chatman & Cha, 2003).

Effective communication is linked to leadership (Effelsberg, Solga & Gurt, 2012) and is considered one of the best tools for leaders to increase retention (Masibigiri & Nienaber, 2011). Open and honest communication can contribute to employee commitment and thereby promote retention and by reminding employees of their value and importance to an organisation, high commitment can be fostered (Tillott, Walsh & Moxham, 2013). Thus, an inclusive organisational culture that promotes open and honest communication, and one that places a strong emphasis on knowledge equality, is likely to contribute to the retention of employees (Pyszka & Pilat, 2011).

If employees feel that they are unable to attain a work–life balance, they may be more predisposed to leave for an environment that can support this expectation, necessitating that both employees and organisations reach an agreement on this issue (Greenhaus & Allen, 2012). Organisational leaders should focus on providing policies that promote a healthy work–life balance to assist in the retention of top potential employees (Nadeem, 2009).

The culture of the company determines the organisational mindset around opportunities offered internally (Chatman & Cha, 2003). High-potential employees appreciate organisational investment in training and skills development that generally lower an employee's need to leave (Allen, 2008). This is particularly relevant for professions where incumbents require constant skills updating or continuous professional development (Doh, Smith, Stumpf & Tymon, 2011). Growth opportunities and long-term career prospects are crucial for high-potential employees (Rondeau & Wager, 2001).

Extrinsic and intrinsic rewards and advancement opportunities are central to the retention of high-potential employees (Caldwell et al., 2012). Employees need to feel equitably remunerated and see potential to grow within organisations (Mansel, Brough & Cole, 2006). Ryan (2010) discusses the results of a top talent survey in which partners of various organisations were asked what they considered to be the top tools to retain high-potential employees. All partners stated that compensation would retain talent. However, the results revealed that compensation ranked number four by high-potential employees while developmental opportunities ranked number one.

If employees perceive that contributions are equal to the benefits they receive, they are less likely to leave the organisation (Lee, Liu, Rousseau, Hui & Chen, 2011). These benefits may be in the form of remuneration, the feel of the workplace environment and opportunities for promotion and development. If the culture of the organisation allows for flexibility regarding working conditions and benefits, whether tangible or intangible, this can aid retention strategies (Chatman & Cha, 2003).

Method

Research approach

The study adopted a qualitative approach to assist in an understanding the experiences of the participants, all of whom had been identified as high-potential employees in the company; it sought to promote the understanding of a social problem through rich description (Creswell, 2014).

Research design

A case study design in a single organisation was used to explore the way in which participants construct meaning within their own live contexts (Yin, 2009). In this way, an attempt was made to learn more about an unknown or inadequately understood subject by means of gathering in-depth data (Leedy & Ormrod, 2001).

Population and sample

The population comprised 15 senior high-potential employees from whom 11 participants were selected through purposive sampling. All participants had to display the characteristics of a high-potential employee as determined by the company: alignment to the organisation, performing a critical role or having scarce skills, fitting into the organisational culture, possessing a positive outlook and resilience. They were employees with diverse skills and business knowledge who could be rotated within the company and added value to numerous business areas. Because of their skills transferability and scarce skills, these employees are marketable and thus are 'key informants' (Maxwell, 2013, p. 73) or respected or knowledgeable people in terms of the research subject and ones who are able to provide a deeper understanding of the issues under consideration.

Research instrument

Based on the literature, an interview guide was constructed that included open-ended questions. Care was taken to ensure that the questions were fully understood by the participants. The questions were organised and worded in a way to encourage participants to provide accurate, unbiased and complete information in relation to the research problem. Probes were used if participants appeared unsure of the questions. Examples of questions included 'Please describe your level of commitment to the company', 'Please explain the degree to which accurate information is shared throughout the organisation', 'What opportunities are there for you to participate in decision-making regarding organisational goals and objectives?' and 'If you could describe the corporate culture of the company in three words, what would they be?'

Data collection

Access to participants was gained by obtaining consent from the organisation and participants were approached individually through personal emails to set up convenient meeting times and at venues that ensured confidentiality.

Data analysis and interpretation

In line with qualitative research methodology, the data were subjected to content analysis where themes, or recurring 'threads of meaning' (Baxter, 1991, p. 250) and categories, or groups of content-sharing commonalities (Krippendorff, 1980) were used to assemble the first-order concepts and to understand the information at a higher logical level (Graneheim & Lundman, 2004). To ensure reliability of the data, all semi-structured questions were posed in the same way to participants by the first author, and responses were not influenced in any way (Myers, 2010).

The soundness of a study is influenced by credibility, internal validity and transferability (Bowen, 2005). Credibility is determined by establishing whether the information provided by participants speaks to the findings of the study (Esterberg, 2002), which was the case in the present study. Golafshani (2003, p. 600) indicates that credibility in qualitative studies refers to the 'ability and effort' of the researcher. Selecting the most appropriate method of data collection, as well as the amount of data collected, was important in establishing such credibility. The units of data acquired through content analysis were not too broad with multiple meanings and not too narrow as to risk fragmentation. In addition, representative quotations from the transcribed text were used to illustrate the input provided by participants (Graneheim & Lundman, 2004).

Transferability is the ability to use the same research method and approach in another setting and obtain a similar result (Pidgeon & Henwood, 1997). Transferability was ensured through providing rich descriptions of data (Bowen, 2005), thus allowing other researchers to use the current study as a framework for reflection on the findings (Terre Blanche & Durrheim, 1999).

Ethical considerations

The necessary authorisation was obtained from the company at which the study was conducted. The company's name remained anonymous and no identifying details of participants were disclosed. Written consent was obtained from all participants and the information gathered was kept confidential in accordance with the guidelines of Leedy and Ormrod (2001). Participants were informed of the nature of the study, that participation was voluntary and that they could withdraw from the study at any time should they not feel comfortable.

Findings

The purpose of the study was to understand, from 11 high-potential employees, what factors could be used to retain such employees within the company. The following themes emerged.

Leadership

Five participants attributed poor leadership as the reason why they had left previous organisations. Participants mentioned that supportive leadership was an overarching reason why they stayed with their current employer:

> For me leadership is the differentiating factor for staying in an organisation. That's why I decided to stay here. The CEO is phenomenal. Since he joined in 2010, I've been more engaged and excited to be at work. (Participant 5, Indian male, 9 years' service)

Participant 10 cited the open management style in the business as being the reason for his retention:

> No manager is unapproachable in the organisation. My manager is inclusive and entrenched in the business. He includes our team in everything and values our opinion. I appreciate that the CEO is someone who wants everyone to be happy and lives the culture he is trying to create in the organisation. (Participant 10, white male, 5 years' service)

Participant 8 echoed this sentiment:

> I have a great manager. I report to a manager who goes beyond his call of duty to build relationships and support his employees both personally and professionally. I'm privileged to work so closely with the executive team. One of the executives is an inspiration to women. She holds her own in a male dominated environment while running the department. She's approachable, independent and objective. She acts with high integrity. I really respect her. (Participant 8, black female, 5 years' service)

Organisational purpose

The majority of participants had a clear understanding of the company's mission and organisational purpose. They emphasised that the business is focused on being a true development financier:

> What other organisation allows you to uplift previously disadvantaged people who did not have access to finance and provide them with an opportunity to create their own business? We are giving people access to the formal and mainstream economy. (Participant 11, white male, 3 years' service)

> The organisation does what I feel is really important. [*It*] creates value by empowering people to create value for themselves. (Participant 3, black male, 2 years' service)

> I truly believe in what we do in this business. Being part of a development finance organisation that directly impacts millions of South Africans every day is why I come to work. The purpose and concept of what we do is really cool. (Participant 1, black female, 2 years' service)

Developmental opportunities

All participants expressed their appreciation for being invited to attend courses. All mentioned that they valued the organisation for providing a diverse range of developmental opportunities geared to every level of the organisation:

> The current leadership initiatives being run internally have impacted me positively. I've learnt a lot and gained valuable work experience. It's a fantastic opportunity. The organisation has arranged a formal coaching programme for me that has influenced me hugely, both personally and professionally. The fact that the organisation is willing to spend money on developing me increases my commitment. (Participant 6, white male, 4 years' service)

Participant 6 appreciated the recognition and developmental opportunities he receives within the company. He described the internal and external opportunities as well thought out, thus ensuring that they were adding value to every employee.

Participant 3 added:

> I really value the opportunity to learn and not being intellectually bored. (Participant 3, black male, 2 years' service)

Meaningful work

Five participants felt that their jobs added value to both themselves and the company, and they were able to see how their roles contributed towards the company's success. Because of the dynamic nature of the business and the complexity of their jobs, they found their work challenging and intellectually stimulating, which participants highlighted as being important for them. Participants 1 and 7 emphasised that meaningful work was a major retention factor for them at this stage of their careers:

> If I'm not challenged, I'll leave. I must enjoy what I'm doing and be able to see the value of my work. (Participant 1, black female, 2 years' service)

> The work is always challenging. This is a driving factor for me. I need to be challenged. The way we do things is constantly evolving. There's always something to improve on or to implement and that excites me. I stay because I can add value and people ask for my opinion. It's magic. (Participant 7, white male, 4 years' service)

Environment

The physical and cultural environment created by the company was a prominent theme in almost every interview. Seven participants used words such as 'dynamic', 'fun' and 'energetic' when describing the company's environment. Many of the participants referred to the positive environment specifically of the customer-consulting area and the vehicle warehouse business unit, which they felt truly differentiated this company from any other company. The culture was described as being reflective of the values and purpose of the company. The participants felt the environment fostered collaboration and innovation among employees, departments and customers:

> In my previous organisation I struggled. Going to work took more effort and my energy was depleted at the end of every day. I woke up in the morning thinking, do I really have to go to work? Whereas now, on a Monday morning, I wake up and think, awesome, I'm going to work. (Participant 6, white male, 4 years' service)

Participant 5 described the environment as fast paced and energetic. Participant 3 shared a similar view:

> The environment is cool and very unique to this business. If you walk into the welcome centre, customer service consultants are friendly and have created a happy and welcoming space. The area is a representation of how client focused the business is. But, if I had to show someone our business I would take them to the vehicle workshop purely because of its grandeur and pace. It's really amazing. (Participant 3, black male, 2 years' service)

Collegiality

The participants all valued and respected the people who work for the company. They enjoyed coming to work because of the people with whom they interacted. They respected the teams in the business and those who they called their organisational heroes. Most of the heroes mentioned were not executives but teams and people in specific roles. Where possible, team names or job titles were used to show that, regardless of level, participants felt they were surrounded by great people in the organisation:

> They're able to do a job that's really unpleasant but have such a good ethic and sense of community. (Participant 6, white male, 4 years' service)

The people are the reason I decided to join this company. I had such a great experience and interactions during my interview that I wanted to work here. I wanted to work with the people. People are so passionate, it's infectious. (Participant 3, black male, 2 years' service)

I'm privileged to be a part of the team. (Participant 7, white male, 4 years' service)

Participant 11 referred to the resilient nature of the people within the company:

The environment can be tough but the people are passionate, smart and strong. I enjoy interacting with the people at work. Our passion towards the business unites us and all of us can really relate to each other. (Participant 11, white male, 3 years' service)

Discussion
Outline of the findings

The study aimed to identify factors that could positively impact the retention of high-potential employees in a development finance company. The question which was answered was: What factors positively impact the retention of high-potential employees in a development finance company? Five major themes emerged in this regard: leadership and organisational culture, organisational purpose, developmental opportunities, meaningful work and collegiality. The factors are listed in order of importance as ranked by participants.

Leadership and organisational culture

Participants valued the good leadership they experience in the company. This was the leading retention factor expressed. Leaders who are accessible and inclusive inspire and motivate high-potential employees within organisations (Trevisan et al., 2014). Many of the participants cited leadership as the reason why they chose to leave previous organisations and why they remain with their current employer. Participants appeared to respect their current leaders and, in particular, the CEO who was described as a people's person who lives the culture he has created. This finding supports the view that leaders reflect culture (Paul & Berry, 2013). Participants trusted leadership as a result of the good business ethics and personal integrity they observed (Kaiser & Hogan, 2010). Such identification appeared to influence retention positively. Participants stressed the importance of having leaders who motivate them, allow them the freedom to make decisions and enable them to work independently, but who are available and approachable if assistance is required. Such a leadership approach allows employees to take ownership of their actions, with the result that they remain engaged and committed to the company (Chatman & Cha, 2003).

The physical and cultural environment created by the company was a prominent theme in almost every interview. Participants agreed that the organisational culture encourages an environment that promotes innovation and collaboration (Grojean et al., 2004). The physical environment was seen as a differentiating factor and one that fosters collaboration and innovation among employees, departments and customers. From the findings one can see that high-potential employees prefer to work in environments that are productive, respect employees, value diversity and are inclusive and sociable (Ramlall, 2004).

Organisational purpose

Participants made reference to the importance of belonging to an organisation that has a motivational purpose to which they are able to relate. Participants mentioned that, as they live and work in a developing country, it is important for them, at this stage of their careers as senior managers or specialists, to see the value in what they do. They want to belong to an organisation that is committed to improving the country and one that focuses on sustainability. Many of the participants enjoyed the direct impact that the organisation has on communities and the economy and, for them, this was a powerful motivator, increasing their desire to stay at the company. The findings confirmed that if high-potential employees identify with the organisation's purpose and recognise their role in fulfilling that purpose, they are likely to remain with the organisation (Messmer, 2004).

Developmental opportunities

The need to develop was evident among these high-potential participants. All expressed appreciation for the developmental opportunities provided, which they considered to be abundant in assisting them to grow, achieve and advance in their careers. Similarly, Ryan (2010) found that it is important for high-potential employees to work for a company that provides them with such opportunities. Although developmental opportunities did not appear to be the leading retention factor for the participants, it emerged within the top three factors.

Many of the participants felt that the organisation offered a variety of developmental opportunities that were tailored and customised to their differing needs. They appreciated that the organisation supported continuous learning and development. Allen (2008) and Mohlala et al. (2012) also found that high-potential employees appreciate organisational investment in training and skills development with Allen (2008) noting that providing training and developmental opportunities generally increases retention of high-potential employees.

Meaningful work

A common theme that emerged was the meaningfulness of the work which the company provides. Participants felt that their jobs add value and that they are able to see the value of their roles in the company's success. Their jobs allow them to be integrally involved in the business and they are able to make strategic business decisions. Participants alluded to the fact that if they were no longer challenged or if they could not see the value of their work, they would leave the company (Gupta & Tayal, 2013).

Participants expressed a similar view to that of Ramlall (2004), stating that at this stage of their careers they were on a constant journey to become better versions of themselves in the work place. They needed to add value and fulfil their personal passion. Their roles are meaningful to them personally and this motivates them. Participants explained that the meaningfulness of their work drives their commitment to the organisation and because of their involvement in the business they do not wish to seek other employment.

Collegiality

Participants explained how they value and respect the people who work for the organisation. They enjoy coming to work because of the people with whom they work and interact. They respect the teams in the business and those who they referred to as their organisational heroes. High-potential employees need to work in an organisation where they feel respected and, more importantly, where they respect the people they work with (Ramlall, 2004).

Relationships appeared to be a factor that influences the retention of high-potential employees. Participants enjoyed being surrounded by people who are hardworking and passionate. Employees enjoy working with people who are like-minded and share the same behavioural norms (Kinicki & Fugate, 2012). Participants were complimentary about both teams and individuals employed within the company. There was a clear level of respect and appreciation for different people, teams and qualities within the business, reflective of the culture created to which high-potential employees relate. This finding is aligned to the prior research of Paul and Berry (2013) and Ramlall (2004).

Practical implications

The findings have implications for the advancement of knowledge in the field of managing and retaining high-potential employees in the organisation.

The organisation should develop retention strategies based on the needs of its top potential employees as well as leverage the strengths that the organisational culture of the company provides. The findings of the study indicate that high-potential employees are intrinsically motivated. Therefore, the outcomes of this study could assist line and human resource managers in developing retention strategies that will not only increase the commitment of high-potential employees but also assist the organisation in retaining them as well.

It is important for the leaders in the company to be aware, further, that the needs of high-potential employees may vary (Chatman & Cha, 2003). Accordingly, efforts should be made to tailor retention strategies targeted at high-potential employees to ensure that their individual needs are met.

Leaders should focus on developing the organisational culture so that it is strong and promotes the organisational

purpose, encourages continuous development of employees, continues to create a cohesive environment and thus fosters and attracts the right people.

Limitations and recommendations

While this study provided insights into the factors that motivate high-potential employees within the development finance industry, the information obtained was based on the participants' subjective views. This, coupled with the fact that the study was conducted in one organisation only, means that the findings must be generalised with caution. Nevertheless, the study provides pointers that can be considered and further explored with a view to retaining high-potential employees in this industry.

Understanding the factors that retain high-potential employees is a complex task (Chatman & Cha, 2003). Future research could seek to understand the balance that is required between intrinsic and extrinsic rewards in order to retain high-potential employees.

The participants in this study were all senior high-potential employees. Future research could consider retention strategies for high-potential employees at different levels in the company with a view to retaining and developing such employees into senior levels. Research may also indicate differences in retention strategies for different demographic groups including the retention requirements of high-potential employees at different stages in their careers.

Conclusion

There is increasing focus on retaining high-potential employees (Castellano, 2013) because of the organisational costs associated with losing such employees (Hausknecht et al., 2009; Ortlieb & Sieben, 2012). Organisational leaders and human resource practitioners are also concerned about the costs and the time it takes to replace high performers (Fritz et al., 2012). Retaining high-potential employees is cost effective and can impact organisational success (Ortlieb & Sieben, 2012). Accordingly, factors such as leadership, organisational culture, organisational purpose, developmental opportunities, meaningful work and collegiality should be explored as potential factors that promote retention of high-potential employees.

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Competing interests

The authors declare that they have no financial or personal relationships that may have inappropriately influenced them in writing this article.

Authors' contributions

The study was based on the research dissertation of the first author, L.L., completed at the University of Johannesburg for the degree MPhil in Leadership in Performance and Change. A.T. was the supervisor of the study. A.T. converted the dissertation into the present manuscript.

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