

Talent Retention Strategies in the Face of Global Mobility: A Case Study of South African SMEs

Victoria Adekomaya^{1,*}, Shepherd Dhliwayo²,

¹ Department of Business Management, University of Johannesburg, Gauteng, South Africa,
Orcid: <https://orcid.org/0000-0002-0786-4851>

² Department of Business Management, University of Johannesburg, Gauteng, South Africa
Orcid: <https://orcid.org/0000-0001-7653-2466>

Keywords

Keyword 1: Talent retention

Keyword 2: Global mobility

Keyword 3: South African SMEs

Keyword 4: Strategies

Abstract

In today's interconnected world, the mobility of talent has become a significant challenge for Small and Medium Enterprises (SMEs) worldwide, including those in South Africa. This study explores the talent retention strategies adopted by South African SMEs amidst the phenomenon of global mobility. A qualitative method based on interviews with 15 SME owners and employees, was used to investigate the unique approaches employed by South African SMEs to retain their skilled workforce in the face of increasing opportunities for global mobility.

The findings reveal an approach to talent retention, encompassing various organizational and individual-level strategies. At the organizational level, SMEs emphasize creating a positive work culture, offering competitive compensation and benefits packages, providing opportunities for skill development and career advancement, and fostering strong relationships between employees and management. The study highlights the importance of understanding the motivations and aspirations of employees, particularly in the context of global mobility. This study offers valuable insights into the challenges and opportunities faced by South African SMEs in retaining talent amidst global mobility trends.

¹*Corresponding Author

* E-mail address: abc@abc.co.za

² E-mail address: def@def.co.za

1. Introduction

1.1. Background

In today's dynamic and interconnected global economy, the mobility of talent has emerged as a pressing challenge for organisations across industries and regions (Kravariti, Oruh, Dibia, Tasoulis, Scullion and Mamman, 2021). Small and Medium Enterprises (SMEs), often regarded as the backbone of economies worldwide, are particularly susceptible to the impacts of global mobility on their workforce (Kravariti, Oruh, Dibia, Tasoulis, Scullion & Mamman, 2021). In the context of South Africa, where SMEs play a vital role in driving economic growth and employment, the issue of talent retention in the face of global mobility presents a complex and multifaceted dilemma. Elo, Rudaz, and Chrysostome (2022) state that the stage for understanding the critical intersection between talent retention strategies and the phenomenon of global mobility within the context of South African SMEs, provides the factors contributing to talent mobility, and the significance of developing effective retention strategies to sustain a skilled workforce.

The study outlines the factors driving global mobility, including technological advancements, demographic shifts, and increasing globalization of markets. These factors have led to greater opportunities for skilled professionals to seek employment abroad, posing a considerable risk of talent drain for SMEs, which often operate with limited resources and capacity for talent acquisition and retention. Adekomaya, Dhliwayo, Mlilo and Akinlabi (2022) highlight that the challenges encompass not only competition from multinational corporations and foreign firms but also socio-economic factors such as brain drain and skills shortages, which further exacerbate the talent retention conundrum for SMEs. Moreover, Khuzwayo (2023) emphasizes the critical role of talent retention strategies in enabling South African SMEs to navigate the complexities of global mobility effectively. Alzbaidi (2020) mentions that SMEs mitigate the risks associated with talent attrition, by developing and implementing tailored retention initiatives to enhance employee satisfaction and loyalty

The study explores the unique challenges faced by South African SMEs in retaining talent amidst global mobility trends. In light of these considerations, this study seeks to explore the talent retention strategies adopted by South African SMEs in response to the challenges posed by global mobility. Through qualitative research methods, including interviews, the study aims to uncover the key drivers of talent retention, the barriers encountered, and the innovative approaches employed by SMEs to foster a supportive and engaging work

environment. This study aims to provide valuable insights and practical recommendations for South African SMEs seeking to enhance their talent retention efforts in the face of global mobility. Ultimately, the findings of this study have the potential to inform policy decisions, guide organizational practices, and contribute to the broader discourse on talent management and economic development in South Africa and beyond.

While global mobility and talent retention have been widely studied, the specific focus on South African SMEs offers a unique perspective. SMEs in South Africa operate under distinct economic, social, and regulatory conditions that differ from those in larger corporations or SMEs in other regions. The study explores how these unique factors influence talent retention strategies and can provide new insights. It also explores the connection between global mobility and talent retention, specifically within the SME context. While much research has been conducted on these topics separately, the study's originality could stem from how it integrates these two challenges and examines their combined impact on South African SMEs.

This study makes an important contribution by exploring how global mobility affects talent retention in South African small and medium enterprises (SMEs). It focuses on the specific challenges these businesses face and provides tailored strategies to help keep their talent. By reviewing existing literature and offering new insights, the study enhances both theoretical and practical understanding of this issue. The findings can help SMEs not only retain their employees but also succeed in a competitive global market.

1.2 Research objectives.

The primary objective of this study is to explore the talent retention strategies employed by Small and Medium Enterprises (SMEs) in South Africa in response to the challenges posed by global mobility.

1.2.1 Sub-Heading

Specifically, the research aims to achieve the following objectives:

To explore the barriers and challenges faced by South African SMEs in retaining skilled employees amidst the phenomenon of global mobility.

To provide practical recommendations and actionable insights for South African SMEs to enhance their talent retention efforts in the face of global mobility.

2. Literature Review

Talent retention strategies refer to deliberate and proactive measures implemented to create an environment where employees feel valued, motivated, and committed to the organization's mission and goals to attract, engage, and retain skilled employees (Jantjies, 2022). Talent retention strategies are to reduce turnover, foster employee loyalty and commitment, and maintain a high-performing workforce capable of driving organizational success (Anlesinya, Dartey-Baah & Amponsah-Tawiah, 2019). The retention of talent has emerged as a critical concern for organizations worldwide, particularly in the context of Small and Medium Enterprises (SMEs) facing the challenges of global mobility (Chidau, Khosa & Phillips, 2022). Talent retention in the face of global mobility is a complex issue for South African SMEs (Ahmad & Khan, 2023). Mwila and Turay (2018) state that the factors driving talent mobility, the challenges faced by SMEs, and the strategies employed to retain talent, organizations can develop effective retention initiatives tailored to their specific context. The case studies of South African SMEs highlight the importance of creativity, innovation, and community engagement in addressing talent retention challenges and fostering a resilient and skilled workforce in the global marketplace.

The global mobility of talent has become a defining feature of the modern business environment, especially for small and medium enterprises (SMEs) in emerging markets like South Africa. The movement of skilled labor across borders presents both opportunities and challenges. The potential loss of highly skilled employees to larger, global companies can significantly impact SMEs' ability to remain competitive. As a result, the retention of top talent has become a strategic priority. In examining talent retention strategies, this review focuses on three core areas: compensation and benefits, organizational culture and development, and leadership and management strategies, with particular reference to the South African SME context.

2.1. Factors Driving Talent Mobility

The mobility of talent is driven by a multitude of factors, including economic opportunities, career advancement prospects, quality of life considerations, and socio-cultural factors (McNulty & De Cieri, 2016). Anlesinya et al. (2019) suggest that skilled professionals are increasingly willing to relocate internationally in pursuit of better career prospects, higher salaries, and improved work-life balance. In the context of South Africa, factors such as skills shortages, limited job opportunities, and socio-political instability contribute to the

emigration of skilled workers, exacerbating talent retention challenges for SMEs (Chidau et al., 2022). This poses both challenges and opportunities for South African SMEs in retaining skilled employees amidst global competition (Mawdsley & Somaya, 2016). SMEs can attract, develop, and retain top talent, thereby enhancing their competitive advantage and long-term sustainability in the face of global mobility.

Allen and Vardaman (2021) state that compensation remains one of the most critical factors in talent retention, especially in industries where global mobility is prevalent. While large multinational corporations often attract top talent with competitive pay packages, SMEs typically struggle to offer comparable financial rewards (Abraham, Kaliannan, Avvari & Thomas, 2023). Kumar, Sarkar and Chahar (2023) argued that pay should be viewed holistically, integrating benefits like flexible work arrangements, wellness programs, and opportunities for personal growth. South African SMEs, faced with the challenge of offering globally competitive wages, often turn to non-monetary incentives to retain their talent. Research by Allen and Vardaman (2021) indicates that South African employees highly value non-financial benefits such as flexible working hours, development opportunities, and a positive work environment. These factors are increasingly important as younger generations prioritize work-life balance and purpose over mere financial gain. As such, SMEs in South Africa can strategically use non-monetary rewards to create a unique value proposition for their employees, leveraging intrinsic motivators to enhance retention.

2.1.1 Challenges Faced by SMEs

SMEs face unique challenges in retaining talent amidst global mobility trends (Musa & Chinniah, 2016). These include limited financial resources to compete with larger corporations in offering competitive salaries and benefits, a lack of formalized HR practices for talent management, and difficulties in providing opportunities for career advancement and skill development (Edoun, Mbohwa & Bhila, 2019). Moreover, SMEs in South Africa confront the additional challenge of brain drain, whereby skilled professionals emigrate to other countries in search of better opportunities, further depleting the local talent pool (Mawdsley & Somaya, 2016). South African SMEs often operate with limited financial resources, making it challenging to compete with larger corporations in terms of salary and benefits offerings (Ahamat, Ali & Hamid, 2017). Global mobility exacerbates this challenge, as talented employees are enticed by higher-paying opportunities abroad, leading to a talent drain within SMEs. According to Statistics South Africa (2020), the country has experienced a significant brain drain over the past few decades, with thousands of highly skilled

individuals leaving the country each year. Enaifoghe (2023) explores that many SMEs are unable to fill critical roles due to the limited availability of skilled professionals in the labor market. This shortage not only hampers productivity but also increases the risk of employee turnover as companies compete for a limited pool of talent.

Another key issue facing South African SMEs is the socio-economic inequality that continues to persist in the country. High levels of unemployment, poverty, and inequality contribute to a challenging business environment, particularly for SMEs operating in underdeveloped regions. These conditions can make it difficult for SMEs to offer competitive salaries and benefits, further diminishing their ability to retain talent. Furthermore, political instability and concerns about corruption have led to a lack of confidence in the country's economic future, prompting skilled professionals to seek opportunities abroad. Despite these challenges, South African SMEs play a critical role in the country's economy. According to Saah (2021), SMEs contribute approximately 40% of South Africa's GDP and account for over 60% of employment in the country. Therefore, retaining talent within SMEs is essential for the country's overall economic stability and growth. Talent retention in SMEs also holds particular importance for South Africa's broader development goals, as SMEs are often seen as engines of innovation, job creation, and inclusive growth.

South African SMEs face persistent skills shortages, particularly in specialized fields such as technology, engineering, and finance as the talent is attracted to countries offering better career prospects and living conditions (Edoun et al., 2019). This study is crucial in exploring talent retention strategies for South African SMEs because it addresses a pressing issue that threatens the long-term sustainability of these enterprises. By recognizing and addressing economic constraints, skills shortages, access to global talent pools, SMEs can enhance their ability to attract, develop, and retain top talent, thereby strengthening their competitiveness and long-term viability in the global marketplace. Possible strategies to address this problem is discussed next.

2.1.2 Talent Retention Strategies

To address the challenges of talent retention, SMEs employ various strategies aimed at fostering employee engagement, loyalty, and satisfaction. These strategies include creating a positive work culture that values employee well-being and recognition, offering non-financial

incentives such as flexible work arrangements and opportunities for professional growth, and implementing performance management systems to align employee goals with organizational objectives (Ahmad & Khan, 2023). SMEs can leverage their agility and flexibility to provide personalized career development plans and mentorship programs, thereby enhancing employee retention and commitment. Anlesinya et al. (2019) highlight that adopting flexible work arrangements, such as remote work, flexible hours, and alternative work schedules, can help South African SMEs attract and retain talent by offering greater work-life balance and flexibility.

Chidau et al. (2022) state that cultivating a positive company culture that values employee well-being, diversity, inclusion, and recognition can enhance employee engagement and loyalty, thereby reducing turnover rates. Engaging in networking activities, industry associations, and collaborative initiatives with other SMEs can provide South African businesses with access to talent pools, knowledge sharing, and best practices in talent retention. Studies reveal that the implementation of strategies in SMEs, such as skills development partnerships with educational institutions, employee ownership schemes, and community engagement initiatives to attract and retain skilled employees (Ayandibu & Houghton, 2017; Popo-Olaniyan, James, Udeh, Daraojimba & Ogedengbe, 2022; Li, 2020). Furthermore, SMEs in South Africa leverage their unique cultural context and sense of community to foster a supportive work environment that promotes employee loyalty and commitment (Al Aina & Atan, 2020).

3. Research Methodology

This study employs a qualitative research design to explore talent retention strategies in South African SMEs in the context of global mobility. A qualitative method was adopted to capture, through in-depth semi-structured interviews the experiences, perspectives, and practices of 15 SME owners, managers, and employees regarding talent retention. The sampling strategy involves purposive sampling of South African SMEs representing various industries, geographic locations, and organizational sizes. Selection criteria include SMEs that have demonstrated success in talent retention efforts, as well as those facing challenges in retaining skilled employees amidst global mobility. Participants are selected based on their relevance to the research objectives and their ability to provide valuable insights into talent retention practices.

The primary focus of the study is to explore talent retention strategies within South African SMEs, particularly in the context of global mobility. The selected sample size of 15 participants allows for an in-depth, qualitative exploration of the experiences and strategies employed by these stakeholders. Given the exploratory nature of the research, a smaller size, focused sample is appropriate for obtaining rich, detailed data. The study targets SMEs within South Africa, with a specific focus on industries most affected by global mobility trends. This focus ensures that the findings are relevant and applicable to the specific challenges faced by these businesses in the South African context. The inclusion criteria of the study were participants must be actively involved in the SME sector in South Africa, with roles that directly relate to talent management or employee retention. This includes business owners, HR managers, and employees who have experience in talent retention strategies. In order words, exclusion criteria were the individuals not directly involved in the decision-making or implementation of talent retention strategies, such as junior employees or external consultants, are excluded to maintain the focus on those who can provide the most relevant insights.

3.1 Data Analysis

Data analysis is conducted using thematic analysis, which involves identifying patterns, themes, and categories within the qualitative data. Transcripts from interviews and focus group discussions are coded and categorized based on recurring themes related to talent retention strategies, challenges, and outcomes. Data triangulation is employed to validate findings and enhance the credibility and reliability of the study. Thematic analysis was conducted, and emerging themes were analyzed about existing theoretical frameworks and empirical evidence to generate meaningful insights and conclusions. The themes were derived through a qualitative data analysis process using thematic analysis, the researcher familiarized with the data by reading and re-reading the transcripts to gain a deep understanding of the content.

Initial codes were then applied to the data using open coding, which involved identifying initial themes and patterns. The codes were organized into categories and subcategories using the thematic analysis feature, allowing the researcher to see the relationships between the codes. This led to the identification of themes, which were refined and reviewed to ensure they accurately represented the data. A coding scheme was developed based on the themes, and codes were applied consistently across the data. The data was then analyzed using the

coding scheme, and themes were explored in-depth. The researcher interpreted the themes, identifying patterns, relationships, and insights. Finally, the findings were reported, including the themes, codes, and supporting participants' quotations (Braun and Clarke, 2022). By using thematic analysis, the researcher was able to systematically analyze the data, identify themes, and support the analysis with robust coding and data excerpts.

4. Findings

The research questions of the study were to explore talent retention strategies in the face of global mobility, a case study of South African SMEs. This section will provide the discoveries of the information gathered from the participants, and this will be examined in the light of the various themes identified. In presenting the results of this study, descriptive quotes and narratives, as quoted by the participants, are provided literally, from the interviews that took place. The terms participants are used interchangeably to refer to those SMEs owners and managers, who participated in the study by undertaking the interview. The findings are discussed under each of the research questions. The design of the interview questions will be semi-structured to allow flexibility while ensuring that core topics are covered, (a)What strategies does your business use to retain employees? (b) What measures do you take to mitigate the loss of skilled employees to global opportunities? (c) What challenges do you face when trying to retain talent? (d) What changes would you consider implementing to improve talent retention in the future?

The trustworthiness of the study was that the researcher engaged deeply with the participants helping to establish rapport and ensuring rich data collection. After the interviews, participants were allowed to review transcripts to confirm the accuracy of their statements and correct any misinterpretations. The case study provided detailed contextual information, allowing readers to understand how talent retention strategies could apply to other SMEs facing similar global mobility challenges. The research process was documented, including decisions made during the study, the rationale behind those decisions, and reflections on the process. This allows for replication or review by future researchers. This self-awareness ensures that the results are shaped by the data and not by the researcher's biases.

| Theme | Pattern |
|---------------------------------------|--|
| Talent Mobility Driver | <ul style="list-style-type: none"> • Economic Opportunities • Quality of Life • Socio-Political Environment |
| Challenges Faced by SMEs | <ul style="list-style-type: none"> • Competition from Larger Corporations • Skills Shortages • Socio-economic Factor |
| Effective Talent Retention Strategies | <ul style="list-style-type: none"> • Positive Work Culture • Opportunities for Growth and Development • Competitive Compensation and Benefits |
| Innovative Retention Approaches | <ul style="list-style-type: none"> • Partnerships for Skills Development • Employee Ownership and Engagement • Community Engagement |
| Impact of Talent Retention Strategies | <ul style="list-style-type: none"> • Enhanced Employee Satisfaction • Improved Organizational Performance • Resilient Workforce |

Source: Authors' compilation

THEME 1: Talent Mobility Driver

Interviewer: Could each of you share your thoughts on the factors driving talent mobility among employees of South African SMEs? Participants 3, 5, and 10 commented:

Participant 3 (SME Owner)

"From my perspective, economic opportunities play a significant role. Many skilled professionals are attracted to higher-paying jobs and better career prospects abroad."

Participant 5 (Manager)

"I agree. Quality of life considerations are also crucial. Factors such as safety, healthcare, and overall quality of life influence employees' decisions to explore job opportunities outside South Africa."

Participant 10 (Employee)

"Additionally, concerns about socio-political issues such as political instability and economic uncertainty contribute to the willingness of skilled professionals to consider emigration."

Many participants highlighted the importance of clear career development paths and opportunities for growth within the organization as a primary driver for talent mobility.

Employees are more likely to stay and move within the company if they see potential for advancement and skill development. The main findings indicated that a positive and inclusive organizational culture can greatly influence talent mobility. Participants often express a preference for workplaces that prioritize employee well-being, foster a sense of community, and encourage collaboration.

Theme 2: Challenges Faced by SMEs

Interviewer: What are the main challenges your SME encounters in retaining talent amidst global mobility trends?

Participant 7 (SME Manager)

"One of the biggest challenges is competition from larger corporations. We often struggle to compete with their resources and brand recognition, making it difficult to attract and retain employees."

Participant 15 (Employee)

"Skills shortages within the local labor market are also a significant challenge. It's hard to find qualified candidates for specialized roles, and once we do, they may be lured away by better offers from international companies."

Most of the participants said that Small and Medium-sized Enterprises (SMEs) face various challenges that can impede their growth and sustainability (Edoun et al., 2019). One of the main findings on the challenges faced by SMEs is obtaining adequate financing. Limited access to credit and capital can restrict their ability to expand, invest in new technologies, and sustain operations. Addressing these challenges requires targeted support from governments, financial institutions, and industry bodies to create an enabling environment that fosters the growth and sustainability of SMEs.

Theme 3: Effective Talent Retention Strategies

Interviewer: Can you share the strategies your organization has implemented to retain talent effectively?

Participant 6 (SME Owner)

"Creating a positive work culture has been crucial for us. We prioritize employee well-being, recognition, and open communication to foster a supportive environment where employees feel valued and engaged."

Participant 7 (Manager)

"Offering opportunities for growth and development is another key strategy. We provide training programs, mentorship initiatives, and career advancement pathways to help employees realize their full potential and stay motivated."

Effective talent retention strategies are essential for organizations to maintain a stable and productive workforce. Most of the participants express that effective talent retention strategies implementing these strategies can create a supportive and motivating work environment, ultimately leading to higher employee retention rates.

Theme 4: Innovative Retention Approaches

Interviewer: Have you implemented any innovative approaches to talent retention?

Participant 8 (SME Manager)

"We've established partnerships with local universities and industry associations to provide employees with access to skills development programs and certifications. This not only enhances their skills but also fosters loyalty and commitment to the organization."

Participant 9 (Employee):

"Our company has introduced an employee ownership scheme where employees have a stake in the company's success. This sense of ownership motivates us to stay and contribute to the company's growth."

The findings of the study indicated that innovative retention approaches go beyond traditional methods to keep employees engaged and committed to an organization. The main findings on innovative retention empowering employees by giving them more control over their work and decision-making processes can increase job satisfaction. This includes self-managed teams, autonomous project work, and employee-driven initiatives. Most of the participants mentioned that encouraging employees to participate in innovation initiatives and providing platforms for them to share and develop their ideas can foster a sense of ownership and commitment.

Theme 5: Impact of Talent Retention Strategies

Interviewer: How have these talent retention strategies impacted your organization?

Participant 10 (SME Owner):

"Overall, we've seen higher levels of employee satisfaction and engagement, which has translated into reduced turnover rates and increased productivity. Our organization is more resilient and competitive as a result of these strategies."

Participant 11 (HR Manager):

"Absolutely. By retaining skilled employees and fostering a culture of innovation and continuous improvement, we've been able to improve our organizational performance and position ourselves for long-term success in the global marketplace."

Most of the participants comment that the impact of talent retention strategies on organizations can be significant, influencing various aspects of business performance and

employee satisfaction. The main findings on the impact of effective talent retention strategies, strong retention strategies contribute to the development of positive workplace relationships. Employees who stay longer in an organization build stronger bonds with their colleagues, leading to better teamwork and collaboration. Implementing effective talent retention strategies can thus have a profound and positive impact on an organization, leading to sustained growth, improved performance, and a more engaged and satisfied workforce (Anlesinya et al., 2019).

5. Ethics

Before the commencement of data collection, the researcher had to wait for approval from Monash University Human Research Ethics Committees. Once that was approved the researcher commenced the interview, the number was 0298.

6. Discussion of findings

The findings from this study provide valuable insights into talent retention strategies in South African SMEs amidst global mobility trends. Findings from each theme will be discussed one after the other.

5.1 Talent Mobility Drivers

The findings emphasize the importance of understanding the nuanced drivers of talent mobility among employees of South African SMEs. Economic opportunities and quality of life considerations are significant pull factors, while socio-political factors act as push factors prompting skilled professionals to seek opportunities abroad. The findings recognizing these drivers allows SMEs to anticipate talent attrition and tailor their retention strategies accordingly. The identified drivers of talent mobility, including economic opportunities, quality of life considerations, and socio-political factors, highlight the complex interplay of push and pull factors influencing employees' decisions to seek opportunities abroad. For South African SMEs, understanding these drivers is crucial for anticipating talent attrition and developing proactive retention strategies.

One of the primary drivers of talent mobility is the availability of opportunities for career growth and advancement. Talented individuals often seek positions that offer better prospects for professional development and progression. Competitive salaries and attractive benefits packages are significant motivators for talent mobility. Talents often move to organizations or regions offering better financial rewards. The desire for a better work-life balance influences talent mobility. Organizations that offer flexible working arrangements, remote work options, and supportive workplace cultures are more likely to attract and retain talent. The alignment

of personal values with organizational culture is crucial. Talented individuals prefer to work in environments where they feel their values are respected and where they can contribute meaningfully.

The quality of leadership and management within an organization significantly impacts talent mobility. Effective, supportive, and inspirational leaders are key to attracting and retaining talented employees. The chance to work in different countries or regions can be a strong motivator. International assignments and the prospect of gaining global experience are attractive to many professionals.

5.2 Challenges Faced by SMEs

The challenges faced by SMEs in retaining talent amidst global mobility trends, such as competition from larger corporations, skills shortages, and socio-economic factors, underscore the need for innovative and adaptive retention approaches. SMEs may not have the financial resources to offer salaries and benefits comparable to larger firms, making it difficult to attract and retain top talent. Implementing extensive wellness initiatives can be costly, and SMEs might not have the budget to support such programs. SMEs often face intense competition from larger companies that can offer more attractive packages and career advancement opportunities, making it difficult for SMEs to retain skilled employees. Encouraging innovation requires a culture and infrastructure that supports creativity and experimentation, which can be difficult to establish in resource-constrained SMEs (Edoun et al., 2019).

SMEs are often more vulnerable to economic downturns and political instability, making it harder to provide job security and stability to employees. Investing in modern and inspiring workplace environments can be financially prohibitive for SMEs, especially in uncertain economic climates. Building and maintaining a positive organizational culture is challenging when the organization is small and undergoing frequent changes or rapid growth. Ensuring transparent communication and regular feedback in a small, fast-paced environment can be difficult, especially when resources are stretched thin (Musa & Chinniah, 2016).

5.3 Importance of Employee Engagement

The findings highlight the critical role of employee engagement in talent retention efforts. Creating a positive work culture, fostering open communication, and recognizing employee contributions are essential for enhancing employee satisfaction and loyalty. Engaged employees are more likely to go the extra mile to satisfy customers, leading to better

customer service and higher satisfaction levels. Employees who are committed and enthusiastic about their work create positive customer experiences, fostering customer loyalty and repeat business. Engaged employees are less likely to leave the organization, reducing turnover rates and the associated costs of recruiting and training new staff. Engaged employees are more likely to contribute new ideas and solutions, driving innovation within the organization. For SMEs, this can be a key differentiator in a competitive market. An engaged workforce is more collaborative and willing to share knowledge, leading to creative problem-solving and continuous improvement.

Engaged employees contribute to a positive organizational culture, which in turn attracts and retains more talent. A strong culture enhances employee loyalty and creates a supportive work environment. When employees are engaged, they are more likely to be aligned with the organization's goals and values, driving collective efforts toward achieving strategic objectives. Engaged employees contribute to higher productivity, better quality work, and improved customer satisfaction, all of which positively impact the bottom line. Higher retention rates and reduced turnover result in significant cost savings for SMEs, allowing them to reinvest in growth and development.

SMEs with high levels of employee engagement are seen as desirable workplaces, making attracting top talent easier. A reputation for employee engagement and satisfaction boosts the organization's credibility in the market, enhancing its overall brand image. By prioritizing employee engagement and implementing the recommended talent retention strategies, SMEs can create a thriving work environment that supports sustained growth and competitiveness. Engaged employees are not only more productive and innovative but also contribute to a positive organizational culture and better financial performance, making engagement a critical factor for the success of SMEs (Ababneh, 2021).

5.4 Effective Talent Retention Strategies

The identified talent retention strategies, including creating a positive work culture, offering opportunities for growth and development, and providing competitive compensation and benefits packages, align with existing research on best practices in talent management. South African SMEs can enhance their competitiveness and sustainability by implementing these strategies effectively. In a competitive market, SMEs often struggle to compete with larger corporations that have more resources. Effective retention strategies help SMEs attract and retain skilled employees, giving them a competitive edge in talent acquisition and retention.

High turnover can be expensive for SMEs due to recruitment, training, and onboarding costs. By retaining employees, SMEs reduce these expenses and allocate resources more efficiently towards business growth and development. Long-term employees possess valuable institutional knowledge and experience that is critical for SMEs. Retaining skilled employees ensures continuity in operations and minimizes the loss of expertise that could impact business performance.

Retained employees are more invested in the company's success and are likely to contribute innovative ideas and solutions. This fosters a culture of innovation within SMEs and enhances their ability to adapt to changing market conditions. Sustainable growth requires a stable and committed workforce. Effective retention strategies support SMEs in achieving their long-term goals by providing a reliable foundation of skilled employees who contribute to business continuity and expansion. A positive reputation as an employer of choice attracts top talent to SMEs. Implementing effective retention strategies enhances employer branding, making SMEs more attractive to prospective employees who seek stability, growth opportunities, and a supportive work environment.

Retained employees are more likely to be engaged and satisfied with their work, leading to higher levels of commitment, loyalty, and overall job satisfaction. This, in turn, reduces turnover and strengthens employee retention efforts. Retaining talented employees provides SMEs with the opportunity to nurture future leaders from within the organization. Developing leadership skills and promoting from within fosters continuity and stability in leadership positions (Ababneh, 2021).

5.5 Innovative Retention Approaches

By forging strategic partnerships with educational institutions, industry associations, and community stakeholders, SMEs can access resources and expertise to support their talent retention efforts. The innovative approaches identified, such as partnerships for skills development and employee ownership schemes, showcase the importance of innovation in talent management. SMEs can differentiate themselves as employers of choice by offering unique and meaningful opportunities for employee growth and participation. By embracing innovation, SMEs can attract and retain top talent amidst global mobility trends. SMEs often face stiff competition from larger firms with deeper pockets. Innovative retention strategies, such as offering remote work options, flexible scheduling, or unique perks like wellness allowances, attract top talent looking for progressive workplace practices.

SMEs may require specialized skills that are in high demand. Tailoring retention strategies to appeal to these niche skills, such as providing professional development in emerging technologies or niche industries, helps SMEs retain critical talent. SMEs typically operate with constrained budgets. Innovative and cost-effective retention approaches, such as implementing peer recognition programs or leveraging technology for flexible work arrangements, allow SMEs to optimize resources while enhancing employee satisfaction. Modern employees increasingly value flexibility in work arrangements and career paths. Innovative retention strategies that incorporate flexible work hours, remote work capabilities supported by robust technology infrastructure, and personalized career development plans cater to these expectations, boosting employee retention and satisfaction.

SMEs can nurture a culture of innovation by empowering employees with autonomy in decision-making and encouraging them to participate in cross-functional projects or innovation labs. This fosters a sense of ownership and engagement among employees, driving creativity and loyalty. Innovative retention strategies include robust succession planning frameworks and leadership development programs tailored to groom internal talent. This ensures continuity in leadership roles and prepares SMEs for future growth and leadership transitions. By adapting quickly to market changes and leveraging innovative retention approaches, SMEs can navigate economic uncertainties and industry disruptions more effectively, maintaining operational resilience and sustainability. Engaging in innovative corporate social responsibility (CSR) initiatives or community involvement programs not only attracts socially conscious employees but also enhances SMEs' reputation as responsible corporate citizens, strengthening employee loyalty and retention. By leveraging creativity and agility in their retention strategies, SMEs can build a competitive advantage and achieve sustainable success in a rapidly evolving business environment (Quansah, Hartz & Salipante, 2022).

5.6 Impact of Talent Retention Strategies

The positive impact of talent retention strategies on employee satisfaction, engagement, and organizational performance underscores the importance of investing in human capital for SMEs. By prioritizing talent management and creating a supportive work environment, SMEs can build a resilient and skilled workforce capable of driving growth and success in the global marketplace. The long-term impact of talent retention strategies on organizational performance cannot be overstated. By investing in talent management and creating a culture

of continuous improvement, SMEs can drive innovation, productivity, and profitability. Moreover, retaining skilled employees fosters knowledge retention and continuity, ensuring organizational resilience and sustainability in the face of global mobility challenges.

Employees who feel valued and see a clear career path are more motivated to perform at their best. High morale translates into better performance and a positive work environment. The findings indicated that the high turnover is expensive due to the costs associated with hiring and training new employees. Retaining talent reduces these expenses, allowing SMEs to allocate resources to other critical areas such as product development or market expansion. Retaining employees who align with the company's values and culture strengthens organizational cohesion. A strong culture fosters a sense of belonging and loyalty among employees. Engaged employees are more likely to be committed to the organization's goals and participate actively in its success. Engagement initiatives, such as recognition programs and career development opportunities, further enhance retention.

A stable workforce provides a conducive environment for innovation. Employees who feel secure in their positions are more likely to contribute creative ideas and take calculated risks. By retaining top talent and fostering a culture of innovation, SMEs can maintain a competitive edge in the market. This is especially important in industries where innovation drives success. Effective retention strategies that prioritize employee well-being, such as wellness programs and flexible work arrangements, enhance job satisfaction and reduce burnout. Employees who feel cared for and valued are more likely to remain loyal and committed to the organization, reducing turnover and promoting long-term retention (Pertwi & Supartha, 2021).

7. Managerial Implications

The managerial implication of the study, South African SMEs need to be strategic and creative in managing talent retention in the face of global mobility challenges. Managers need to invest in cultivating a strong work culture that enhances organizational commitment. Creating a sense of belonging and purpose within the organization can mitigate the impact of global mobility, as employees may choose to stay for non-monetary benefits like a positive work environment and work-life balance. By offering competitive compensation and benefits packages is essential for attracting and retaining talent. Managers should ensure that salaries are aligned with industry standards and provide additional incentives such as performance-based bonuses, health insurance, and retirement plans to enhance employee satisfaction and

loyalty. Managers should embrace innovation in talent management to differentiate their organizations as employers of choice. This may include implementing creative retention approaches such as partnerships for skills development, employee ownership schemes, and flexible work arrangements to meet the evolving needs of employees.

Continuous improvement should be embedded within the organizational culture to adapt to changing employee preferences and market dynamics. Managers should encourage innovation, experimentation, and learning at all levels of the organization to drive sustainable growth and competitiveness. Collaboration with external stakeholders, including educational institutions, industry associations, and community organizations, can enhance talent retention efforts. Managers should leverage these partnerships to access resources, expertise, and networking opportunities to support their talent management initiatives. They should regularly monitor and evaluate the effectiveness of talent retention strategies to identify areas for improvement. This may involve tracking turnover rates, conducting employee satisfaction surveys, and soliciting feedback from employees to assess the impact of retention initiatives and make necessary adjustments. The study highlights the importance of proactive talent retention strategies in South African SMEs amidst global mobility trends. By implementing these managerial implications, managers can create a conducive work environment, foster employee engagement, and build a resilient and skilled workforce capable of driving sustainable growth and success in the global marketplace.

8. Conclusions, Limitations, and Future Research

In the era of global mobility, SMEs face unique challenges in retaining talent as employees have more opportunities to work internationally. The study provides valuable insights into the specific economic, cultural, and market dynamics of South Africa. This localized focus helps SMEs in South Africa understand how to tailor their retention strategies to their unique context. The study explores innovative retention strategies that are particularly relevant in the modern, globally mobile workforce. This includes flexible work arrangements, remote work opportunities, and personalized career development plans. By providing concrete examples and case studies, the research offers practical applications that South African SMEs can implement, making the findings actionable rather than purely theoretical.

Retaining skilled employees ensures operational stability and continuity, which is crucial for the smooth functioning and growth of SMEs. The findings provide valuable guidance for policymakers to support SMEs in their talent retention efforts. This can include policy

recommendations for training subsidies, incentives for employee development programs, and support for innovative work arrangements. The study contributes to the body of knowledge on industry best practices, offering a benchmark for other SMEs to follow.

The study makes a significant contribution by providing tailored, practical, and innovative strategies for retaining talent amidst the challenges posed by global mobility. Its localized focus on South African SMEs, combined with insights into global best practices, offers a comprehensive guide for SMEs looking to enhance their talent retention efforts. The study not only highlights the importance of retaining talent for competitive advantage but also provides actionable recommendations that can lead to improved employee engagement, operational stability, and financial performance. The study is essential for SMEs, policymakers, and industry leaders aiming to build a resilient and high-performing workforce in a rapidly evolving global landscape. Based on the literature and the case study findings, practical strategies tailored for South African SMEs should be proposed in the conclusion. For example, the literature and findings highlight the importance of career development but with a focus on low-cost strategies for SMMEs, this could offer actionable insights to SME owner-managers.

The limitation of the study was differences in organizational culture, size, and structure among the SMEs studied led to variations in the effectiveness of talent retention strategies, making it hard to draw uniform conclusions. These limitations should be acknowledged and addressed in the study to provide a balanced and realistic interpretation of the findings. Further research of the study should be to explore how cultural factors influence the implementation and effectiveness of these strategies in diverse contexts.

References

- Ababneh, O.M.A., 2021. The impact of organizational culture archetypes on quality performance and total quality management: the role of employee engagement and individual values. *International Journal of Quality & Reliability Management*, 38(6), pp.1387-1408.
- Abraham, M., Kaliannan, M., Avvari, M.V. and Thomas, S., 2023. Reframing talent acquisition, retention practices for organisational commitment in Malaysian SMEs: A managerial perspective. *Journal of General Management*, p.03063070231184336.
- Adekomaya, V., Dhliwayo, S., Mlilo, T. and Akinlabi, A.O., 2022. Integrating Talent Management In Small-Medium Enterprises For Sustainability: A Qualitative Study. International Business Conference, IBC 2022.

- Al Aina, R. and Atan, T., 2020. The impact of implementing talent management practices on sustainable organizational performance. *Sustainability*, 12(20), p.8372.
- Allen, D.G. and Vardaman, J.M., 2021. Global talent retention: Understanding employee turnover around the world. In *Global talent retention: understanding employee turnover around the world* (pp. 1-15). Emerald Publishing Limited.
- Ahamat, A., Ali, M.S.S. and Hamid, N., 2017. Factors influencing the adoption of social media in small and medium enterprises (SMEs). *International E-Journal of Advances in Social Sciences*, 3(8), pp.338-348.
- Ahmad, Y. and Khan, M.R., 2023. How business strategy drives human resource practices in small and medium enterprises? Evidence from Pakistani autoparts industry. *International Journal of Organizational Analysis*, 31(7), pp.2866-2888.
- Akinyemi, F. and Adejumo, O., 2017. Entrepreneurial motives and challenges of SMEs owners in emerging economies: Nigeria & South Africa. 10(50), pp.332-357.
- Alzbaidi, M., 2020. Examining Talent Management Practices in Small and Medium Enterprises in Jordan (Doctoral dissertation, Coventry University).
- Anlesinya, A., Dartey-Baah, K. and Amponsah-Tawiah, K., 2019. Strategic talent management scholarship: a review of current foci and future directions. *Industrial and Commercial Training*, 51(5), pp.299-314.
- Ayandibu, A.O. and Houghton, J., 2017. External forces affecting Small businesses in South Africa: A case study. *Journal of Business and Retail Management Research*, 11(2).
- Chidau, T., Khosa, R.M. and Phillips, M., 2022. Effects of successful business practices on business performance: Evidence from immigrant entrepreneurs in Ekurhuleni, South Africa. *Southern African Journal of Entrepreneurship and Small Business Management*, 14(1), pp.1-11.
- Edoun, E.I., Mbohwa, C. and Bhila, T.Y., 2019. Factors influencing the success and failure of small and medium sized enterprises in Tembisa Township, South Africa. In *Proceedings of the International Conference on Industrial Engineering and Operations Management* (pp. 2820-2831).
- Enaifoghe, A., 2023. Enhancing the Role and Contributions of Small and Medium Enterprises (SMEs) in a Globalized and Innovative Economy: Challenges and Opportunities.

- Elo, M., Rudaz, P. and Chrysostome, E., 2022. Entrepreneurial internationalisation in, from and to Africa—perspectives and insights. *International Journal of Entrepreneurship and Small Business*, 47(4), pp.431-449.
- Jantjies, E.W., 2022. Talent management framework: Retention of skilled personnel at Mossel Bay Municipality (Doctoral dissertation, North-West University (South Africa)).
- Kravariti, F., Oruh, E.S., Dibia, C., Tasoulis, K., Scullion, H. and Mamman, A., 2021. Weathering the storm: talent management in internationally oriented Greek small and medium-sized enterprises. *Journal of Organizational Effectiveness: People and Performance*, 8(4), pp.444-463.
- Kumar, S., Sarkar, S. and Chahar, B., 2023. A systematic review of work-life integration and role of flexible work arrangements. *International Journal of Organizational Analysis*, 31(3), pp.710-736.
- Li, H., 2020. How to retain global talent? Economic and social integration of Chinese students in Finland. *Sustainability*, 12(10), p.4161.
- Mawdsley, J.K. and Somaya, D., 2016. Employee mobility and organizational outcomes: An integrative conceptual framework and research agenda. *Journal of Management*, 42(1), pp.85-113.
- McNulty, Y. and De Cieri, H., 2016. Linking global mobility and global talent management: the role of ROI. *Employee Relations*, 38(1), pp.8-30.
- Musa, H. and Chinniah, M., 2016. Malaysian SMEs development: future and challenges on going green. *Procedia-Social and Behavioral Sciences*, 224, pp.254-262.
- Mwila, N.K. and Turay, M.I.S., 2018. Augmenting talent management for sustainable development in Africa. *World journal of entrepreneurship, Management and Sustainable Development*, 14(1), pp.41-49.
- Ncube, T.R. and Zondo, R.W., 2018. Influence of self-motivation and intrinsic motivational factors for small and medium business growth: A South African case study. *South African Journal of Economic and Management Sciences*, 21(1), pp.1-7.
- Pertiwi, N.K.A.Y. and Supartha, I.W.G., 2021. The effect of compensation and organizational commitment on employee satisfaction and retention. *American Journal of Humanities and Social Sciences Research (AJHSSR)*, 1(3), pp.333-342.

- Popo-Olaniyan, O., James, O.O., Udeh, C.A., Daraojimba, R.E. and Ogedengbe, D.E., 2022. A review of us strategies for stem talent attraction and retention: challenges and opportunities. *International Journal of Management & Entrepreneurship Research*, 4(12), pp.588-606.
- Saah, P., 2021. The impact of small and medium-sized enterprises on the economic development of South Africa. *Technium Soc. Sci. J.*, 24, p.549.
- Quansah, E., Hartz, D.E. and Salipante, P., 2022. Adaptive practices in SMEs: leveraging dynamic capabilities for strategic adaptation. *Journal of Small Business and Enterprise Development*, 29(7), pp.1130-1148.