

**Marta Karolina Bednarczuk - 20221877**

**&**

**Manuel Wohlfarth - 20221473**

**M.Sc. International Business**

**03 June 2024**



**Elevating Engagement in International Corporations: A Focus on**  
**Recent Trends in Employee Retention Strategies**

**AALBORG**  
**UNIVERSITET**

**Supervisor:**  
**Marin Marinov**

## **Abstract**

Employee Retention is one of the most important challenges in the international human resource management of a firm. Low employee retention can lead to high cost, loss of knowledge and reduced innovation, which makes it a major concern for the long-term profitability of a firm. This paper aims to analyze current trends in employee expectations and how the human resource strategies may adapt. A collection of factors has been established that influence the satisfaction and retention of individual employees. These are put into the context of findings from case studies and personal interviews of key human resource personnel of multinational corporations. It is found that the home and host country culture, as well as the industry-context of the firm have strong impact on the retention approaches. Furthermore, strategic considerations may change the value firms put on employee retention, based on evaluations of cost-efficiency. With the developed Cycle of International Employee Retention Strategy, this paper aims to support firms in their continuous international employee retention strategizing.

**Key words:** Employee Retention; Retention Strategies; International Companies; Trends; Factors;

# Table of Contents

<b>1.0 Introduction</b>	<b>6</b>
1.1 Rational of the Study	7
1.2 The Interest in Employee Retention	8
1.3 Goals & Objectives	8
1.4 Questions	10
<b>2.0 Literature Review</b>	<b>12</b>
2.1 Employee Retention & Turnover	12
2.2 Business Strategy	14
2.2.1 Cost Effectiveness	14
2.2.2 Functional Strategies	15
2.2.2.1 Operational Functions	15
2.2.2.2 Marketing and Communication	16
2.2.2 International Business Strategy	16
2.2.3 Influence of the Business Strategy on IHRM	17
2.3 International Employee Engagement	18
2.4 National Culture Influences	20
2.5 Leadership and Communication	21
2.6 Trends and Changes in Working Culture & Environment	22
2.6.1 Impact of Covid-19	22
2.6.2 Industry 4.0 & 5.0	23
2.6.3 Employee Lifestyle & Behaviors	24
2.6.4 Generational Preferences	25
2.7 Job Embeddedness vs Stress & Well-being	26
2.7.1 Job Embeddedness and Brand Loyalty	26
2.7.2 Stress and Well-being	27
2.8 Theories of Engagement and Motivation within HRM	27
2.8.1 Theories of Employee Needs	28
2.8.2 Theories of Employee Rewarding	29
2.9 Summary of Factors	30
2.10 Conceptual Framework	31
<b>3.0 Methodology</b>	<b>33</b>
3.1 Research Philosophy	33
3.2 Research Approach & Design	35
3.3 Search Strategy	36
3.4 Data Collection Method	38
3.5 Quality Assessment	40

3.6 Ethical Consideration	40
3.7 Selection Criteria and Its Limitation	42
3.8 Research Time Horizon	43
3.9 Conclusion	43
<b>4.0 Results &amp; Analysis</b>	<b>44</b>
4.1 Results	44
4.1.1 Case studies	44
4.1.1.1 Netflix	45
4.1.1.1.1 Company Overview - Netflix	45
4.1.1.1.2 Country Culture - Netflix	46
4.1.1.1.3 Industry Background - Netflix	46
4.1.1.1.4 Employee Retention - Netflix	47
4.1.1.1.5 Analysis of Employee Retention - Netflix	49
4.1.1.2 Amazon	50
4.1.1.2.1 Company Overview - Amazon	50
4.1.1.2.2 Country Culture - Amazon	50
4.1.1.2.3 Industry Background - Amazon	51
4.1.1.2.4 Employee Retention - Amazon	51
4.1.1.2.5 Analysis of Employee Retention - Amazon	53
4.1.1.3 Pakistan International Airlines	53
4.1.1.3.1 Company Overview - Pakistan International Airlines	53
4.1.1.3.2 Country Culture - Pakistan International Airlines	54
4.1.1.3.3 Industry Background - Pakistan International Airlines	55
4.1.1.3.4 Determining Factors of Employee Retention - Pakistan International Airlines	55
4.1.1.3.5 Current Developments of the Firm - Pakistan International Airlines	56
4.1.1.3.6 Analysis of Employee Retention - Pakistan International Airlines	57
4.1.1.4 Toyota Motor Corporation	57
4.1.1.4.1 Company Overview - Toyota	57
4.1.1.4.2 Country Culture - Toyota	58
4.1.1.4.3 Industry Background - Toyota	58
4.1.1.4.4 Employee Retention - Toyota	59
4.1.1.4.5 Analysis of Employee Retention - Toyota	60
4.1.2 Interviews	61
4.1.2.1 EnBW Energie Baden-Württemberg AG	61
4.1.2.1.1 Company & Industry Background - EnBW	61
4.1.2.1.2 Country Culture - EnBW	62
4.1.2.1.4 Retention Measures - EnBW	62
4.1.2.1.5 Analysis of Employee Retention - EnBW	63
4.1.2.2 Dirk Rossmann GmbH; Polish Market	64
4.1.2.2.1 Company & Industry Background - Rossmann	64
4.1.2.2.2 Country Culture - Rossmann	65
4.1.2.2.3 Retention Measures - Rossmann	65
4.1.2.2.4 Analysis of Employee Retention - Rossmann	67
4.2 Analysis	68
4.2.1 Recent Trends	68
4.2.2 Measurements of Employee Retention Initiatives	71
4.2.3 Business Strategy VS International Human Resources	73
4.2.4 Industry Context as a Influence	76

4.2.5 The Influence of a Country Culture on Retention	77
<b>5. Discussion</b>	<b>80</b>
5.1 Findings VS Literature Review	80
5.2 Findings VS Trends	84
5.3 Similar Studies	86
5.3.1 International Employee Retention by Reiche (2008)	87
5.3.2 International Employee Retention by Vidyasagar & Jayavardhan (2015)	89
5.4 Bednarczuk & Wohlfarth Theory	91
<b>6. Conclusion</b>	<b>94</b>
6.1 Summary	94
6.3 Limitations of The Study	95
6.4 Future Research	95
<b>References</b>	<b>97</b>
<b>Appendix</b>	<b>110</b>

## List of Tables

Table 1: External, Internal, and Ecological Validity	42
Table 2: Comparison of Factors for Retention (Nawaz et al., 2012; Ahmed, 2018).	56
Table 3: Interviews	61
Table 4: Companies and Their Actions	70

## Table of Figures

Figure 1: Employee Engagement by Country and Region, Gallup (2022)	19
Figure 2: Summary of Factors Influencing Employee Retention (own creation)	31
Figure 3: Conceptual Framework About the Influence of Current Trends on HR and Retention (own creation)	32
Figure 4: Research Onion (Saunders et al., 2007)	33
Figure 5: Convergent parallel design (Harvard, 2024)	35
Figure 6: Literature Search Cycle (Charles Sturt University, 2024)	37
Figure 7: Work Breakdown Structure	43
Figure 8: Conceptual Framework	68
Figure 9: Retention Factors of Reiche (2008) Compared to Chapter 3 Findings	87
Figure 10: Summary of Factors Influencing Employee Retention (own creation)	92
Figure 11: Cycle of International Employee Retention Strategy (own creation)	92

## 1.0 Introduction

One of the key aspects of the human resource management department is employee retention, which refers to maintaining a stable work environment where employees want to stay with the firm and help reach the firm's long-term goals. The measurement of the retention rate can tell the company if they are keeping the workforce engaged, motivated, satisfied and committed to their role in the organization. Moreover, high scores can give the competitive advantage of a more stable work environment and enables holding on to the best skilled workers, which will result in growth and increase the revenue of the firm. According to the Society for Human Resource Management the estimated cost of replacing an employee can fall in between six to nine months of previous employee's salary that will go into headhunting, hiring process and training costs (SHRM, 2024; Crail, 2023). Fast changing personnel can be not only costly, but it can impact the team morale and create chaos as well as decrease productivity and workload during the transition and training period. Additional spending may also mess with the budget metrics and cause further consequences.

In multinational corporations (MNCs), the landscape of employee retention is particularly complex, characterized by a needed balance between global standardization and local adaptation (Yousuf and Siddiqui, 2019). MNCs operate on different geographical localizations that each have its own culture, regulatory framework, and market needs and dynamics. In addition, there are both global and local factors as well as market sensitivity that influences employee retention (SHRM, 2024). Leaders need to make the decision if staying with standardized policies and practices that promote consistency and efficiency may be better over adaptation to specific country or region and answering specific people's needs and preferences. Failure to acknowledge differences between nations can be destructive and can lead to disengagement and decrease in effectiveness.

Lately there have been a lot of changes in the global dimension. The 4th industrial revolution that introduced a cyber physical system, artificial intelligence and data analytics have unlocked new potential for being more efficient and innovative (Matuszak, 2022). However, despite its progress, the fourth industrial revolution has also ushered in unprecedented disruption, challenging traditional employment strategies, and requiring agile responses from organizations consequently changing the way many businesses operate. Concurrently, there is also talk of another change, i.e. moving to the next level - the 5th industrial revolution, which would be based on mass customization and human-robot collaboration (Erro-Garcés and

Aramendia-Muneta, 2023). The concept will further accelerate the pace of change and blur the boundaries between the physical and virtual world. Digitalization has emerged as a driving force behind those transformations, creating a work environment where remote work, virtual collaboration and engagement is possible. Moreover, new standards have created an influence on employees' requirements towards employers. Over the years, the quality of life has also changed, highlighting the importance of flexible and adaptive retention strategies. Local factors may also influence retention on a big scale. The Great Resignation happened mainly in America causing mass voluntary resignation after the outbreak of the Covid-19 pandemic (Crail, 2023; Herbert, 2023). Organizations needed to act fast in order to keep the best workers. With the big changes, theories and frameworks created years ago can be outdated. This study aims to investigate how retention strategies must evolve to meet the needs and preferences of today's workforce that is influenced by different factors.

### **1.1 Rational of the Study**

Employee retention becomes a value-adding strategy for preserving organizational knowledge and ensuring a stable, experienced workforce. It has been shown that the extent to which firms retain innovative and creative employees is a major contributor to its future success (Schönebeck and Schönebeck, 2015). Therefore, in this paper the focus will be on new trends that have appeared in recent years in employee retention strategies to have a more updated look at how companies should approach this topic. Contribution can be made in both academic as well as practical understanding of employee retention. Investigating recent trends will provide a contribution to the knowledge in the area of organizational behavior, human resources and employee management & engagement in the context of academic literature. Moreover, a comparison between existing theories and what is currently happening can lead to development of new theoretical frameworks. The analysis and recommendations can directly help HR professionals and offer MNCs insights into effective retention strategies. For businesses there is a lot of value in the topic of retention. Cahuc et al. (2022) found in their study that in Germany and Denmark, the loss of one employee leads to a loss of profit of 41.000€, which emphasizes both the importance of employee retention for continuous profit creation and the value of money spent on retention efforts compared to the potential loss. In addition, Ahammad et al. (2015) describe the importance of knowledge. Through the retention of employees, knowledge is kept internally within the company. This provides a potential competitive advantage and the additional benefit that it is easier for firms

to transfer their gathered knowledge internationally to their subsidiaries or acquired companies. Thus, it is relevant to study the current developments within employee retention in this paper, since it provides significant positive or negative effects on the innovation, cost and knowledge within the firm.

## **1.2 The Interest in Employee Retention**

It is important to clarify why and how the topic of employee retention and engagement has become an interest of the researchers. The subject had several influences during the academic journey and practical experiences. Firstly, one researcher, on their semester abroad, attended modules on coaching and another one about the importance and influence of stress & well-being at work, which sparked out the curiosity in that topic. Moreover, the researchers have some experience on the job market and have observed firsthand the importance of employee retention initiatives and the impact of these aspects on work environment dynamics. In addition, as the researchers quickly approach the transition into full-time employment, understanding employee retention will help to evaluate and identify which employers are more likely to provide a supportive and engaging work environment. These combined motivations have driven the interest into the topic and explored it as a research study.

## **1.3 Goals & Objectives**

Stating clear goals and objectives can help to guide the researchers and clarify how to conduct the study in smaller steps. Furthermore, it can bring clarity with communication between the authors and the audience. The purpose and expected outcomes should be stated beforehand in order to focus on what is crucial and which pathway to choose. They are essential for planning purposes and guidance in tasks like data collection strategies, analysis and methodology styles. Motivation from achieving objectives contributes to a sense of progress and being closer to reaching the goal. As for this project here are the goals together with objectives.

### **1. Examine recent trends**

- o Conduct a review of new existing literature on employee behavior & retention:  
Reviewing recent literature is essential to understand the current state of employee retention and the factors influencing it. This procedure will help to



gather most up-to-date information that later will be used in the discussion part of this research (Smith, 2022).

o Analyze findings considering global factors and emerging trends:

Analyzing these findings will allow the researchers to understand different contexts and adopt strategies to those differences like regions or industries. This step helps to ensure that research is relevant to a broader audience.

2. Evaluation of the effectiveness of different employee retention strategies

o Analyze MNC actions in the area of employee retention and initiatives based on secondary data sources:

Evaluation of the strategies of different multinational enterprises through secondary data sources will provide insights into what has been effective in the real-world. Moreover, gaining different data about employee retention strategies will offer a foundation for comparing different approaches.

o Collect data from interviews of HR employees in MNCs to understand their employee engagement initiatives and outcomes of those practices:

Gathering information from HR employees will help to understand the practical implementation side of the strategies and allow for comparison to data gathered from secondary sources.

3. Contribution to academic knowledge & practical insights for MNCs

o Create a new framework that will consider new trends and be more up to date:

Developing a new framework based on current trends and findings from research will provide a new look into employee retention.

• Develop practical recommendations for human resource departments:

Providing actionable recommendations ensures that the research has practical values that can help HR departments in creating more effective retention strategies and add value to the academia.

#### 4. Understand international impact

- o Undertake a comprehensive literature review on employee retention, with a focus on international perspectives:

This objective will help to understand how employee retention is approached in different cultural and economic contexts. This perspective is crucial for developing strategies that are adaptable to various settings (Chen, 2021).

- o Collect & analyze data from interviews and surveys from employees working in MNCs:

Gathering and analyzing data from those both sources will provide direct insights into their retention strategies. This data ensures that our recommendations are grounded in real-world evidence.

### 1.4 Questions

Gathering questions is an essential step in the research and planning process. We prepared a set of questions to stay on track of what we want to achieve and what data we need to gather in order to achieve those goals and objectives mentioned above. Moreover, they give more clarity of research direction and guide us towards purposeful and organized exploration of the chosen topic.

The topic of this study focuses on the strategic aspect of employee retention by organizations. The researchers believe that this research is primarily beneficial to businesses, with the aim to enhance their strategies to retain employees effectively. The key question of this paper is: How can international businesses elevate employee engagement through strategic retention practices in the context of recent trends? By answering this research problem the researchers aim to provide recommendations with practical strategies that can enhance employee satisfaction, engagement and loyalty and will thus impact the overall performance and stability of the organizations. Here are additional questions that will be analyzed and will provide the answer to the problem in smaller sub-questions:

1. To what extent do current employee retention strategies align with established theories and frameworks?

2. What are the key recent trends in employee retention strategies adopted by international corporations?
3. How do international corporations measure the success and effectiveness of their employee retention initiatives?
4. How does the industry context influence strategy and retention?
5. How does the business strategy affect International Human Resources and employee retention?
6. What innovative approaches are emerging in employee retention strategies?

## **2.0 Literature Review**

This chapter is dedicated to literature review. The primary purpose of conducting this literature review is to gain a summary and evaluation of existing research and peer-reviewed journals in the field of employee retention. Moreover, this chapter is used by researchers to have an opportunity to read what a number of authors have recognized & said as well as to try to identify any gaps in their studies. New opportunities, knowledge and expertise can establish brand new contexts and add up to date theories based on existing frameworks in order to contribute to academia. The chapter 2.0 will be divided into 10 parts based on the categories to which the peer-reviewed journals and books have been assigned by the authors of the dissertation. By organizing it in such a way, researchers ensure a structured examination of the various aspects of employee retention strategies.

### **2.1 Employee Retention & Turnover**

Human resource management (HRM) is a critical component of any organization, whose function is to effectively manage the firm's most valuable asset - its employees. This department focuses on the happiness, satisfaction, fulfillment and well-being of workers (Dessler, 2024). HRM efforts will impact the overall shape of the company and how employees will perceive it. Moreover, positive work culture promotes employee engagement, loyalty and effectiveness. International human resource management (IHRM) extends the concept to the international scale. Managing employees across different countries/continents creates unique opportunities as well as challenges. Human resource professionals working in IHRM need to take into account multiple diversities based on legal, cultural and economic factors of staff background (Brewster et al., 2016). However, the activities such as staffing, training, performance management and employee retention takes place in HRM as well as in IHRM.

Employees are a major resource both in terms of value and in terms of cost. Thus, the resource-based view (RBV) theory can be used to elaborate on why retention of core employees is valuable for the firm. The theory states that firms can gain sustained competitive advantage by creating value that is rare and difficult to imitate (Barney, 1991). Therefore, employees that are trained and know the culture of the firm and its operations are valuable resources. Human capital and unique HR systems can provide an organization with a competitive advantage, which is significant to leverage its long-term success in the market,

improving organizational performance & driving innovation (Gerhart & Feng, 2021). Taking steps to retain employees and create enabling conditions for further skill development would be a reasonable move for an organization.

Phillips & Connell (2003) describe retention as a “percentage of employees remaining in the organization - high levels of it are most favorable for most jobs”. On the other hand, turnover is the opposite, which corresponds to “percentage of employees leaving the organization for whatever reasons”. Hom et al. (2020) in their book show two types of turnover: voluntary and involuntary. Employees that decided to terminate their employment are in the group of voluntary turnover individuals. The decision can be made based on many reasons starting from low salary and recognition, conflict with managers, job dissatisfaction, work-life balance, or career change due to personal reasons like allocation to different city or country. Moreover, in international companies the context might be broader. Reasons why can be related to firm specifications like location - home/host country, laws, culture of firm in comparison to the national culture; psychological reasons - multicultural team integration and harmony. Involuntary turnover refers to employees leaving the job due to circumstances beyond their control that are initiated by the employer (layoffs, termination) (Hom et al., 2020).

Furthermore, there are different ways to calculate the turnover rate. In most cases it is beneficial to keep this percentage low, however, there are also scenarios where turnover rate might not be seen as negative. Turnover allows companies to replace underperforming employees with more qualified and motivated workers. It might also be beneficial to maintain a positive work environment and dismiss employees that do not align with the company's values, culture and goals. In addition, change in personnel might boost innovation and show a fresh perspective into work organization (Hom et al., 2020). On the other hand, if a company loses its best employees and it becomes a problem, a strategy would be to decrease turnover rate and focus on employee retention. The involuntary rate is in the hands of the employer, but they cannot predict how many employees will quit on their own. This puts them in a complicated situation where they can suddenly lose the best employees and require pressure to tempt them to stay at work.

Large multinational companies are under the eyes of many and strive for the best possible results and reputation. Every year, financial and business magazines and even some governments present their rankings of top employers. Some of the most popular magazines

that regularly include retention in their content are Fortune, Forbes, and BusinessWeek (Phillips & Connell, 2003).

## **2.2 Business Strategy**

The central guideline for business operations is the strategy. Strategies support businesses in increasing their potential performance in profitability and the satisfaction of stakeholder expectations (Turker, 2013). Strategy can be based on a variety of factors, which is why various theories of strategic management have emerged. On the topic of employee retention, relevant theories are the generic strategies by Porter (1985), in addition to the resource-based theory, agency theory or the knowledge based view. In this context, the theories are mainly applied to consider the individual employee as an asset with knowledge. Most of the value of individuals is intangible, but for a firm it may be incremental to secure the knowledge inside the firm. This knowledge, and thus the employee keeping it, may be considered a VRIN resource and thus uphold a competitive advantage over the competition.

### **2.2.1 Cost Effectiveness**

One of the major financial cost factors in a business is that of their human resources, which makes this a valuable point of strategy and optimization. However, it cannot directly be compared to other costs that arise inside the firm. Human resources are often not regarded as a cost, but rather as an investment. The challenge in HR strategizing is determining the right mix of efficiency-orientation by keeping cost low and effectiveness-orientation by employing people with great potential (Grohmann and Zeuch, 2016). However, the theory of transaction cost must also be applied to the strategy planning (Young, 2013). Based on this theory, each time an employee quits there is a transaction cost in the process of recruitment to replace the employee. This cost must be added to the loss of revenue while the position is open and the investment into training that has been done with the lost employee, which has to be repeated with the newly hired individual (Dechawatanapaisal et al., 2018). Michael Porter (1985) has connected different cost management strategies to the creation of a competitive advantage for the firm. Implementing the strategy of cost leadership has the goal of minimizing cost in every possible aspect. Limiting cost by reducing wages is however likely to increase turnover, as competitive compensation is one of the most important aspects in retention of employees (Dwesini, 2019). An effective cost leadership strategy, based on low compensation, must thus equalize the transaction cost of recruitment with the cost savings of

low employee compensation. Within the cost strategizing, the individual environment of a firm's international operation must be considered. Cost of turnover, recruitment cost and compensation of workers may vastly vary between the locations of an MNC. In addition, the human resource strategy must provide plans for standardization versus localization of approaches. For maximum cost effectiveness, the developed HQ practices must be standardized throughout the international locations. However, based on culture, employee expectations and structure of management, processes may need local adaptations, in which case standardized processes will lead to reduced efficiency (Pudelko and Harzing, 2007). Thus, internationally the cost of turnover and recruitment must be put into perspective with the consideration of the cost of localization of processes and their effect on efficiency and employee satisfaction.

### **2.2.2 Functional Strategies**

Business strategy can provide overall goals and create paths to reach these for a firm overall. However, strategies can also be more specialized, based on different functions within the firm. According to Grüning and Kühn (2018) functional strategies must be designed to support the overarching corporate-level strategy. Functional strategies can be created in many different areas of the firm. Regarding employee retention, functional strategies in areas such as human resources, marketing, operations and finance can be evaluated and adapted.

#### **2.2.2.1 Operational Functions**

Regarding the operational strategy, turnover is a major aspect of consideration. On one hand it leads to the previously described financial cost. On the other hand, however, it creates new challenges, which mostly are not financially quantifiable. As stated by Pinkovitz et al. (1997) there can be issues in operational efficiency. Turnover leads to loss of knowledge and may produce increased stress and instability in the remaining workforce, since they must take over the work left by the leaving employee. Operational strategies are partly based on the development of processes and initiatives that increase the skills of the workforce. High turnover may hinder the implementation of these strategies since new employees will need to be integrated into the workforce, which will take much of the management's capacity and affect the development of the overall workforce (Beach et al., 2003). While operational strategies are an important asset to the overarching firm strategy, it is also strongly influenced by the aspect of human resources and employee retention. Strategizing and conceptualization

in operation should thus not only be based on the operational objectives that need to be reached with maximum efficiency. Operational strategy must include consideration for the individual employees. In order to ensure efficiency, it should include a framework for the assurance of employee satisfaction and a positive organizational culture (Beach et al., 2003).

#### **2.2.2.2 Marketing and Communication**

Marketing strategy can benefit the firm in various aspects. As will be analyzed in a later chapter of this literature review, it can be beneficial for a firm to portray a strong brand image through external marketing efforts. Added to the effect of the recognition of potential customers, this will lead to internal employees being more engaged if they identify themselves with the communicated values of the brand (Dechawatanapaisal, 2018). Strategically, it is thus important for firms to communicate their marketing efforts not only externally but internally as well. Kuuyelleh et al. (2021) demonstrate this in terms of sustainable and green management. While activities towards sustainability can be used as a marketing strategy, they can in addition improve the satisfaction of employees within the firm, if communicated effectively to employees. While communication can be regarded as an additional function for supporting tasks (Grünig, 2018), it must fulfill the connecting role between human resources, marketing and the overall firm strategy. Internal communicating routines are important to keep employees informed about the goals and strategy direction of the firm on one hand, on the other hand it serves as a tool for engagement, by increasing the feeling of involvement and belonging to the employees (Kuuyelleh et al., 2021). In international human resource strategy, the communication and internal branding must be considered in strategizing. The values that are communicated within the firm must coincide with the values of the individual employees working in the home or host country of the firm. Values that keep employees engaged may differ based on the location and background.

#### **2.2.2 International Business Strategy**

Firms operating internationally within any part of their value chain must adapt their strategy to their internationalized business operations. Internationalization can have many motives for the creation of strategic advantages. Motives can be the seeking of resources, efficiency, markets or strategic assets. The benefits of global strategy can be realized through economies of scale, global brand recognition or efficiency through local knowledge and lower labor cost (Bartlett, 2003). The basis for international strategy creation is determining the extent in



which pressure for global integration and pressure for local responsiveness affect the firm. This may influence both the upstream and the downstream of a firm's operations. Internationally, the firm may use a global strategy, which will lead to operations and facilities being managed within standardized and unadopted processes. On the other hand, transnational or multidomestic strategies will make the firm adapt to local and regional differences (Segal-Horn, 2014). Firms must consider aspects described by the agency theory in their international strategizing. Regarding multinational governance, firms can decide if it is more suitable for their operations to have a direct flow of information and delegation from the headquarters to the individual subsidiaries of the host country, or if it preferable to establish a centralized subsidiary within the host country that will have control over the single entities within the country (Hoenen and Kostova, 2014). Paul Sparrow et al. (2014) additionally suggest that next to local responsiveness and global integration, organizational learning is a key driver for HR strategizing. For successful global operations and human resource management, these key drivers need to be appropriately balanced and policies need to be created that support these aspects. Consideration of differences as described by institutional theory may provide a basis for planning and adapting strategy. Different institutions on one hand set the normative framework that the firm must adhere to in order to gain legitimacy for their operations. However, the effect of institutions on the beliefs and behavior of the individual must be implemented as well. Institutional analysis should be part of strategy since it demonstrates outside forces on the organization and provides ideas for effective communication strategy (Lammers, 2017).

### **2.2.3 Influence of the Business Strategy on IHRM**

As was established in this chapter, there are many different parts and perspectives that need to be combined to create the business strategy. Generally, human capital makes up a major factor of both cost and potential for success of a firm. The strategy of recruiting, managing, developing and retaining employees is thus an incremental factor for the development of the firm. In turn, the basis of human resource strategy is to provide a plan for how the human resource department can ensure long-term success of the firm (Grohmann and Zeuch, 2016). Regarding factors mentioned in this chapter, it is demonstrated that the business strategy provides a general direction for the firm, while HR strategy, as well as employee retention strategy, will need to adapt to that. International HR strategy will change whether the firm operates within a centralized global hierarchy or if operations are adapted to individual

countries and cultures. In addition, financial targets set by the firm will influence the approach of human resources and may force internationalization of the workforce in order to increase efficiency or reduce labor cost (Benito, Rygh and Lunnan, 2016). Overall, there is an interdependency between the business strategy and the human resource strategy. The business strategy provides a framework for the direction of the firm, while the human resource strategy needs to operate within this framework to reach the provided goals. As described by Grünig, Kühn and Morschett (2022) criteria for a successful business strategy are on one hand success potentials, such as market positions, offers for customers and resources. These aspects can be regarded from a market or a competitor's side. A business strategy that focuses on the market position may favor globalized operations, since it leads to closeness to the customers in the downstream, as well as cost savings in the upstream. IHRM must then ensure the maximum cost effectiveness within their globalized operations. Expenses towards employee retention in the global operations need to be critically assessed on whether they reduce the overall cost and thus improve the market position. However, market position may on the other hand be improved through the value of the product. Hereby, the focus on resources is increased, since innovation created by the employees is needed. The knowledge of employees can be used as a tool to improve the offerings of the firm, but also to support international expansion, by implementing gained knowledge in foreign locations of the firm. Retention processes are thus valuable, based on the focus of retaining key knowledge as a resource. Especially, in an international setting, through the increased competition and thus increased risk of losing knowledge to competitors (Brewster, et al. 2016). Internationalization can be used as a tool for the fulfillment of a firm's strategy goals. If enabled by the firm strategy IHRM may use foreign locations to reach their targets of cost, efficiency and market closeness, but must also consider the greater competition and greater complexity of employee management.

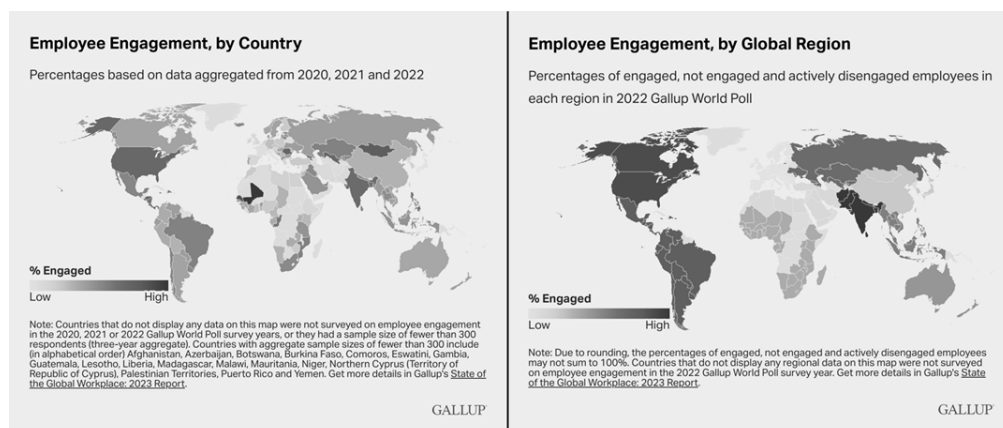
### **2.3 International Employee Engagement**

Employee engagement is a fundamental aspect of human resource management. Engagement of employees can be used as a strategic tool and thus lead to a competitive advantage. Employees that are engaged show increased enthusiasm about their tasks, while identifying themselves more with the vision and objectives of the organization. They are willing to put more effort and commitment into their tasks. Overall, this will lead to increased efficiency

within the organization, caused by the rise of productivity of individual employees (Turner, 2019).

To demonstrate the different aspects and effects of employee engagement. Blessing White (2013) has created a model of engagement, which demonstrates the effects and different categories of employees. The model demonstrates two dimensions that both need to be fulfilled to reach engagement in employees. On one hand, individual goals must be pursued. Employees have their own values and goals independently from the place of employment that they desire to fulfill. On the other hand, there are organizational goals and values that individuals may pursue. Only maximum satisfaction through success within their personal goals and simultaneously maximum contribution towards the organizational objective, leads to fully engaged employees.

For the comparison in a global perspective, a longitudinal study by Gallup (2022) consulting is continuously investigating the average engagement of employees based on country or region.



*Figure 1: Employee Engagement by Country and Region, Gallup (2022)*

The study demonstrates differences between differently defined areas. The data is based on a survey that is conducted globally. Based on their proprietary formula, Gallup categorizes employees as engaged, not engaged or actively disengaged. On a country level Mali has the highest level of engagement at 47%. The lowest amount of engagement is split between Italy and Japan with 5% each. By region Europe overall has the lowest engagement at 13%. However, only 15% are actively disengaged. Active disengagement is highest in the Middle East and North Africa region at 23%. Highest engagement is in the region of South Asia with 33% and lowest active disengagement is 6% in South East Asia.

## 2.4 National Culture Influences

The national culture influence on individual employees is an important factor that internationally operating companies must consider in their human resource strategy. A basic framework for determining cultural values and characteristics was created by Hofstede (1980), which can be used to analyze the average expectations and preferences of employees in life and at their workplace. As found in a study by Chakrabarti, Gupta-Mukherjee, and Jayaraman (2009) cultural distance between the home country of the firm and the home country of the employee does not necessarily have a significant negative impact on employee performance but rather slightly positive. However, in regard to the cultural dimensions, masculinity is an important factor, where vast differences may lead to issues in integration and performance. To ensure performance human resource departments need to adapt their policies to their target culture. Developing capabilities for the integration of workers into the company culture is a major factor in the extraction of maximum performance of employees (Weber and Tarba, 2010). Findings by Chen et al. (2011) demonstrate an example of high turnover caused by expatriates receiving lower wages than they expected combined with bad work cooperation. However, providing expatriates with life enrichment activities aids their adjustment and will increase retention (Kempen et al., 2015). This emphasizes the importance of active involvement of the company. Human resource departments that act proactive towards their international employees by supporting their adjustment to new cultures and improving job embeddedness will be more successful in retaining employees than reactively acting ones (Ren et al., 2014).

Cultural dimensions of countries must be included into international human resource strategizing. In collectivist cultures, normative commitment on turnover will have a stronger effect than in individualistic cultures. However, according to research, in individualistic cultures high workload will lead to greater intentions of turnover (Yao & Wang 2006, Yang et al., 2012). Adaptation to collectivist culture is an integral part of successful retention. Zimmerman et al. (2009) demonstrates this with the example of the collectivist culture of China. It was found that policies of western human resource departments were not effective in increasing retention in China. In addition, a study on an US firm operating in Mexico found adaptiveness to be a key component. Applying their US-based policies and recruitment strategy, they were not able to reduce turnover of their Mexican workers. Changes in policies and adaptation to the culture and power distance were required in order to manage retention

(Allen and Vardaman 2017). Overall, culture can have varying impact on the performance of the employee and their retention. In many cases culture does not have a strong effect and retention policies can work cross-culturally. Minorities in a country will generally be able to adapt more quickly to the company host country culture. In more diverse cultures and strong variation in cultural dimensions, human resource strategy must be adapted to improve integration of workers and retention (Allen and Vardaman, 2017).

## **2.5 Leadership and Communication**

Effective leadership and communication play an important role in fostering employee retention within an organization. A strong leader understands the importance of inspiring employees and fostering a positive work environment. Creating a work culture has a significant connection to employee retention (Crail, 2023). Firms' culture is one of the reasons people accept or deny a job offer and if their path remains in the company. Crail (2023) argues that nearly  $\frac{2}{3}$  of employees put good company culture as a main reason for not choosing to depart. Moreover, leaders that implement recognition and reward systems will notice positive changes in employee retention as well as engagement (Cooke, 2022). Xuecheng et al. (2022) present in their research paper their hypothesis: 1. "work environment significantly and positively influences employee retention" and 2. "job satisfaction significantly and positively influences employee retention" are aligning with findings and are acceptable.

In addition, there are different leadership styles that will affect the effectiveness of their work and managing tactics. Leader's behaviors, characteristics and methods will determine how they inspire, motivate and delegate tasks (IMD, 2024). In addition, the way they manage conflicts is another crucial part of employee retention. Leaders that are using an avoiding approach will create a long-term frustration with individuals, and a forced approach might create an environment with no creativity and possibility of humiliating the other side of the conflict (Whetten & Cameron, 2016). Leader has the power to spread or take away self-confidence, inner power, creativity and engagement into work tasks.

Moreover, most MNCs operate within a multi-level hierarchy, therefore clear & transparent structure and communication is a must in order for employees to be effective and not overwhelmed with complicated structures (Cloutier et al., 2015). Bell & Martin (2014) presented five levels of managerial communication that should provide competency and

understanding about communication. All five: intrapersonal, interpersonal, group, organizational and intercultural communications will help firms to develop communication standards that are consistent, inclusive and considerate of the diversity among the employees (Bell & Martin, 2014). Supportive communication, open dialog as well as mastering non-verbal communication will create healthy discussions, which will positively influence the environment and culture of the workplace and boost employee retention (Karen & Kimsey-House, 2016; Bell & Martin, 2014). Herbert (2023) adds that active listening to what employees have to say is a powerful tool. Not only the yearly annual feedback survey, but asking questions more often with an emphasis on negative feedback. Responses towards employees' concerns will increase the satisfaction of work as well as reassure them that their voices do matter (Herbert, 2023).

## **2.6 Trends and Changes in Working Culture & Environment**

In the always changing landscape of the workforce, significant trends and changes have emerged influencing both the work culture and work environment. Presented shifts are particularly relevant to today's international human resource management and employee retention strategies as they influence how businesses manage their global workforce and answer their needs. This chapter is divided into four sections presenting key factors such as the impact of the Covid-19 pandemic, advancements in Industry 4.0 & 5.0, shifts in employee lifestyles and behaviors, as well as generational preferences. Understanding and noticing trends like these is crucial for developing effective IHRM strategies and creating suitable employee retention initiatives in the rapidly changing business world.

### **2.6.1 Impact of Covid-19**

The Covid-19 pandemic has had a strong impact on various aspects of society. As a result of the pandemic, businesses needed to adapt quickly to new ways of organizing working conditions and employee collaboration. At the same time employees need to learn new skills, especially in digitalization, to continue working effectively. The study by Parry and Battista (2019) indicates that human resource management should take on the task of supporting employees, since they will be overwhelmed and burned out if they are left to learn the new skills by themselves.

In regard to the working environment, Giagauri (2020) suggests that, aside from assuring performance and efficiency, social interaction must be regarded. There needs to be a balance

between employees that prefer to work from home and employees that prefer to work from the office. Either type of employee may grow dissatisfaction if not placed in their socially comfortable environment. On one hand, team performance is reduced by working from home. On the other hand, job performance is additionally influenced by the satisfaction and commitment shown by the worker (Van der Lippe & Lippényi, 2019).

After the lockdowns were removed and everything went to more familiar looks, businesses continued to evolve in response to the lessons learned during the pandemic. Crail (2023) writes about the positive impact of flexible remote working and its benefits for individuals-increased happiness, higher productivity & efficiency. Moreover, work-from-home reduces nonessential meetings, foster greater autonomy, increase schedule flexibility and create an environment with fewer distractions (Crail, 2023). The pandemic also influenced employee behavior in terms of recognizing the value of their time and energy. For maximum productivity, human resource management needs to find a balance between the theoretically most optimal collaboration setting and maximum employee satisfaction and wellbeing.

### **2.6.2 Industry 4.0 & 5.0**

Human civilization is going through drastic changes due to the industrial revolution. Industry 1.0 started in the 1800s, however, everything has accelerated and in the last 20 years, not only a jump to the next revolution, but about three different ones (Matuszak, 2022). Technology has advanced significantly, and caused disruptive changes for the workforce, and has been characterized as a socio-technical revolution where companies must keep up and adapt in order to avoid being left behind (Fareri et al., 2020; Sony and Naik, 2019). With industry 4.0 in which we are in at the moment, the focus is on Artificial Intelligence (AI), computer-based systems, networking, Internet of Things (IoT), and machine learning. New reality creates opportunities, as well as disadvantages of continuous learning and the need of further developing skills. Implementing industry 4.0 is the challenging (Sony and Naik, 2019). However, all new tools, data analysis, and technology used can be complementary resources to human resource practices that together achieve higher profits and results (Erro-Garcés & Aramendia-Muneta, 2023).

Technological advancements bring changes to job roles and skills requirements for those positions. Because of this, organizations struggle to retain skilled and qualified employees who can flourish in this rapidly changing environment. Companies must prioritize investing



time and money in upskilling and also reskilling their workers so that they remain relevant and equipped with necessary skills to leverage new innovations efficiently and effectively (da Silva, 2022). Furthermore, technology such as data analytics can be used as a leverage to identify risks and construct proactive retention strategies based on analyzing employee feedback. Trends in the data can help to address specific needs and concerns employees may have as well as help with decision making & performance improvements in the human resource department (Adamková, 2020). HRM jobs should be to go along with digitalization and encourage employees to adapt technology and decrease the distrust towards it (Erro-Garcés & Aramendia-Muneta, 2023).

Industry 5.0 is not incorporated yet; however, it is a hot topic that may change again the way business is operating. The fifth revolution is about connecting humans with machines and making them work together. Covid-19 boosted use of digital tools, augmented reality as well as virtual reality which pushed us along the path to 5th industrial revolution (Gamota, 2020). Erro-Garcés & Aramendia-Muneta (2023) in their study argue that the concept of Industry 5.0 should be further studied and companies' engagement in it should be considered.

### **2.6.3 Employee Lifestyle & Behaviors**

Another trend that is impacted by change in social and technological advancements are shifts in employee expectations towards the organizations. Workers today often prioritize flexibility, work-life balance, and meaningful work experience. They want the organizations to respect their time away from work to keep a healthy working relationship (Crail, 2023). In addition, “people expect meaningful employer support and engagement” (Eason, 2024). Organization's values and beliefs impact employee engagement and the decision whether to stay or leave the job. Nowadays, diversity, equity, and inclusion (DEI) initiatives, which are not only merely performative but are appreciated and valuable by employees. DEI strategies should be implemented by human resources and provide transparency with employees about its efforts (Milanesi, 2023). Firms that promote diversity are better positioned to foster a sense of belonging among employees from different backgrounds (Kiradoo, 2022). Moreover, well-being and mental health have become increasingly important, and businesses are recognizing the importance of creating a supportive and healthy work environment (Eason, 2024).



Evolving needs and expectations of the workforce are also affecting employee benefits offers. The survey from Forbes Advisor found that 62% of firms have changed their benefit offerings in the past year in order to keep employees satisfied. It was influenced by other statistics that show that 40% of employers say workers leave their positions to find roles with better benefit offers (Miranda, 2023). The benefits can include health benefits like upgraded insurance & mental health assistance, gym memberships and/or free drinks and snack policy (Haan & Bottorff, 2023; Miranda, 2023).

#### **2.6.4 Generational Preferences**

Organizations that provide the best work environment will stand out due to the ability of attracting top talent, retaining & engaging staff, and maintaining their firm culture (Brower, 2022). One of tactics is looking at staff characteristics and knowing what their preferences are. An age cohort is a good start to see how different age groups approach the company and what are their expectations or focus. Brower (2022) says that “generations have long been a way to understand people and what they want—from their work and for their lives”. Nowadays, companies need to engage four generations of employees: generation Z (1997-2012), millennials (1981-1996), generation X (1966-1080), and baby boomers (1946-1965) (Huncar, 2024). On some occasions we can notice employees over 78 years old (the silent generation), however, that percentage in comparison to other cohorts is small. Furthermore, better understanding of generational preferences will help the firm prepare adequate retention strategies as well as see strengths and weaknesses of them (Singh, 2019).

The Covid-19 pandemic reshaped work preferences and dynamics in the business world. Millennials are responsible for many remote job offers available at the moment. They continue to power up the boom of online work, while Gen Z and older generations lean towards returning to the office (Kaplan, 2023). Generation Z expresses feelings like loneliness, urge of in person contact as well as desire to learn and get mentorship (Huncar 2024; Kaplan, 2024; Brower, 2022). Kaplan (2023) adds that a hybrid model combining office and remote work is the favorite approach for both the organizations and employees. Millennials are getting what they want, while people in their 20s get a little bit more socialization, mentorship and escape from often cramped living situations. Moreover, baby boomers & generation X have industry experience that can serve as a role model for young people just entering the workforce (Huncar, 2024).

Brower (2022) notices that generations want the same thing, however, the difference is in the order of priority or reasons behind it. It connects to the life stage of individuals- first we want to build a career and look for opportunities; then settle down, have family and a balanced life between life and work. As a senior the priority is to share know-how and contribute to mentoring programs in the organization. All generations care about aspects such as growth, social capital, choice & control, recognition, security and opportunities to further develop skills but the prioritization is different based on life stage (Brower, 2022). Organizations need to learn and understand the mindset of different cohorts in order to provide them a clear career path based on their expectations. Kelly (2023) argues that communication is the key and management will be managing both younger and older workers, therefore strategy must be prepared in advance.

## **2.7 Job Embeddedness vs Stress & Well-being**

One factor that companies must recognize is that their employees are humans. They have physiological and psychological needs that must be considered in the structuring of the organization. Well-being is thus a big priority in HR management, because it is a major aspect in developing workplace resilience (Meister, 2021). Another factor that influences employee satisfaction and retention is job embeddedness, which influences the connection of employees to their work and organizational values.

### **2.7.1 Job Embeddedness and Brand Loyalty**

High job embeddedness is linked with greater commitment and lower likelihood of departure. Hom et al. (2020) presented an enthusiastic staying mindset where employees prefer to stay due to positive affect towards the work they do. That also leads to strong commitment, attachment and loyalty towards the organization (Gyamerah, 2022). Building brand loyalty is an often overlooked factor, since companies many times focus more on communicating to customers, but neglect communicating their core values to internal employees (Punjaisri and Wilson, 2017). Workers that support the firm's values will help the firm in reaching its goals and promote its workplace (Kimpakorn and Tocquer, 2009; Liu et al., 2017). In addition, employees will form a social identity with the firm, which creates a sense of belongingness (Dechawatanapaisal et al., 2018).

Overall, research has found that strong internal branding has positive effects on employee retention. Employees that are enthusiastic about the brand and identify themselves with the

values will show increased commitment to the brand and will be more likely to remain in the organization (Anisimova and Mavondo, 2010; Matanda and Ndubisi, 2013). In practical application, HR should collaborate with the marketing department of a firm to develop the brand experience of the employees. The goal is to grow a sense of pride within the employees, which in turn increases their attachment and willingness to stay at the company (Dechawatanapaisal et al., 2018).

### **2.7.2 Stress and Well-being**

Stress and well-being embrace the emotional and mental state of employees in response to work demands and environment. Stress performance relationship law created by Yerkes & Dodson (1908) shows the correlation between performance and pressure. If the pressure is too low, it will lead to boredom and if too high then possible outcomes might be high stress, anxiety and overall unhappiness. High stress may lead to employee burnouts, which affect the individual health and performance of a group as well as the corporation.

Nowadays, more and more people experience burnout in the workspace (Crail, 2023). The Gallup report found out that top factors that lead to employee burnout are: unfair treatment, unmanageable workload, unclear communication from management, lack of management support & unreasonable time pressure. In order to prevent burnouts and other illnesses corresponding to stress at work companies should carefully look into prevention strategies. There 3 types of prevention A. primary- the objective is to eliminate risk factors (promoting recognition, adjusting workload) B. secondary - helping to develop employees skills to recognize and manage their reactions to stress and intensive situations (workshops, training, additional programmes) C. tertiary - helping workers that already suffer from psychological health problems by preventing further deterioration and rehabilitation (individual/group therapies, employee assistance program) (Baumann & Ylinen, 2020). Furthermore, it is important to empower employees and give them a sense of control and independence and feeling of confidence in day-to-day work (Gyamerah et al., 2022). In order to increase employee retention, firms should take care of their employees' mental health and aim to provide better working conditions.

### **2.8 Theories of Engagement and Motivation within HRM**

Motivation is a key factor in human resource management in order to ensure a company's success. Motivated employees will be able to extract the maximum of their potential and

create greater performance and value for the operation. In the following chapter, theories will be elaborated that describe how individual employees can be motivated, in order to extract the maximum of their productivity and provide high engagement and retention in the company. The theories will be collected in different parts, that firstly motivate employees through the creation of intrinsic satisfaction and secondly, based on the provision of rewards for their efforts.

Motivation has long been studied from various perspectives, as far back as the 1950s. Rybnicek et al. (2019) describe theories of motivation by different categories: content, process and justice theories. Content theories are based on internal factors within the individual. The major dimension are internal drivers that are positively associated with motivation. These can be based on basic needs or desires that employees have. Major content theories are Maslow's Hierarchy of Needs (1943), McClelland's theory of Needs (1987), Alderfer's ERG Theory of Needs (1969) or Herzberg et al.'s hygiene theory (1959). In Addition to content theories, there are process theories, which regard motivation from a dynamic perspective. The point of analysis is the underlying thought process and decision-making of individuals. Major theories are Vroom's Expectancy Theory (1964), Skinner's Reinforcement Theory (1958) and the Goal-Setting Theory (Locke and Latham, 2002). A third category is justice theories. These theories put motivation in a sociological perspective. The frameworks are based on the perspective that fairness and equal treatment are major aspects in the motivation of individuals, as demonstrated in Adam's Equity Theory (1965).

### **2.8.1 Theories of Employee Needs**

Fulfilling their individual needs is a basic factor for human survival. Maslow (1943) put the physiological needs as a fundamental basis for the decision making of individuals. However, needs expand past the basics of survival. Once physiological and safety needs are met, humans strive for more personal and satisfactory goals. Within the context of business management McClelland and Burnham (2008) have differentiated three types. The need for achievement; the need for affiliation and the need for power. Since the basic human needs can be expected to be met with the provision of salary, employers need to focus on the three mentioned needs, in order to extract maximum motivation out of their employees. The individual preferences and desires however vary between employees.

The need for achievement defines the desire for excellent results and outcomes through individual effort. Individuals high in this need not only want to succeed, but they want to know they earned this success through identifiable effort. They do not want to succeed by chance and are more satisfied in a position that provides greater challenge (Rybincek et al., 2017). The need for affiliation is based on the social aspect of humans. Individuals desire close relations to the people around them. They want to feel socially included and take part in cooperative tasks and activities (McClelland, 1976). Alderfer (1969) describes this factor as relatedness, which is the basis to enable inner satisfaction and growth in individuals. The third need is the need for power. Individuals with a high need for power have a desire for strong status symbols that increase their standing and reputation in social circles. These individuals desire to earn prestige and to gain stronger impact (Rybincek et al., 2017). These three types of needs vary between individuals. Employers should recognize differences in individual needs and adjust tasks and positions accordingly.

### **2.8.2 Theories of Employee Rewarding**

Regarding Herzberg's Hygiene Theory (1959) different types of factors can be differentiated. While the fulfillment of needs can be regarded as intrinsically motivating factors, rewarding may be both intrinsic and extrinsic. Recognition, professional growth and promotions can be offered to employees as intrinsic rewards (Ajmal, 2015). However, a more direct way of rewarding is financially. Employees expect a salary, which provides a reward in accordance with their position, experience, responsibility and other factors. Increasing financial rewards will generally increase the outcome of an individual's work. However, Cerasoli et al. (2014) demonstrates that financial rewards impact the quantity of employee's performance much more than their quality. Furthermore, rewarding cannot be regarded on an individual level only, but contains societal aspects as well. Employees expect that the ratio of input they offer fits accordingly to the performance they deliver and the outcome they receive. These expectations must be met in order to maintain motivation (Suciu et al., 2013). In addition, the ratio of income to outcome cannot be worse than that of other individuals. If the employee considers their ratio unfair it will greatly reduce motivation, according to Adam's Equity Theory (1965).

In summary, motivation is a result of various factors. The importance of each factor will vary between individual employees and must be recognized by employers to maximize motivation. As stated by Cerasoli et al. (2014) both internal and external factors can influence

performance. External factors need to be considered and adjusted together with internal factors to understand and increase motivation-driven performance (Rybínecký et al., 2017).

## **2.9 Summary of Factors**

The previous literature review demonstrates the importance of employee retention. Hereby, the factors that influence whether companies have a high or low retention are highlighted. The factors are categorized firstly by whether they are individual and different to the singular employee or if they are collective, which means that they will generally provide a similar extent for multiple employees within the firm. Changes made to the collective factors will influence more than one employee, in contrast to changes made to the individual factors.

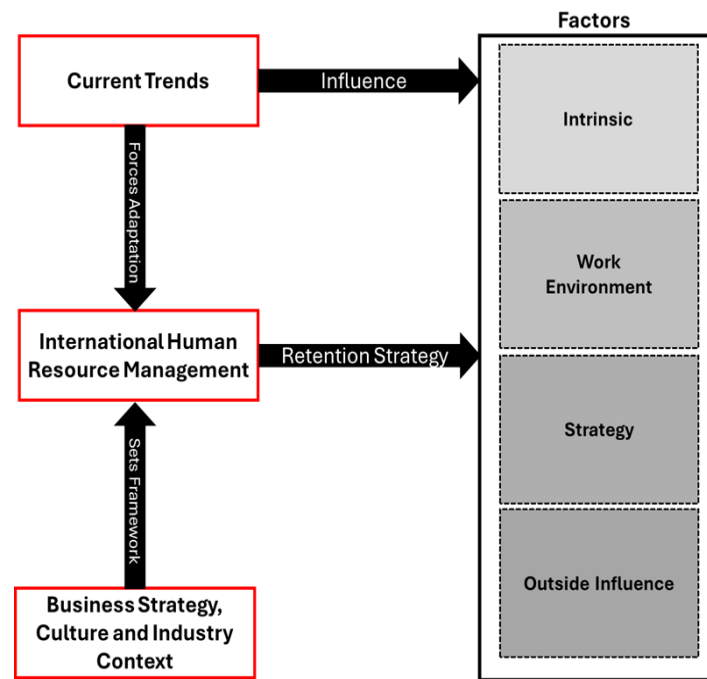
This clustering of factors, provides an overview over different variables that human resource management can influence. The general differentiation between individual and collective factors provides different approaches. The collective factors more general, whereby changes affect multiple employees or the whole workforce. Changes within the collective factors thus have stronger impact on the organization but are more time or cost intensive to change. Individual factors are more connected to the individual needs and values of an employee. Changes of these variables can generally be implemented more quickly, but the required actions can vary based on the personal situation of the employee. Further clustering in the categories of intrinsic, work environment, strategy and outside influence can provide an additional basis for the consideration of retention approaches. In the following framework, the central categories are more directly influenceable for the company than the outer categories. The work environment and strategy can thus be used as the initial area for changes. These factors can be changed through centralized management decisions, such as strategic adaptation and improved reward schemes. In contrast, the intrinsic factors require a rather individual consideration for the need of employees, while the outside influence cannot directly be influenced by the company.

Individual Factors	Intrinsic	<ul style="list-style-type: none"> <li>• Personal Needs</li> <li>• Engagement</li> <li>• Job Embeddedness</li> <li>• Brand Loyalty</li> <li>• Well-Being</li> </ul>
	Work Environment	<ul style="list-style-type: none"> <li>• System of Rewarding and Acknowledgement</li> <li>• Stress</li> </ul>
Collective Factors		<ul style="list-style-type: none"> <li>• Business culture</li> <li>• Leadership Style</li> <li>• Communication</li> </ul>
	Strategy	<ul style="list-style-type: none"> <li>• Business Strategy</li> <li>• Organisational Values and Social Actions</li> <li>• Cost</li> <li>• International Strategy</li> </ul>
	Outside Influence	<ul style="list-style-type: none"> <li>• Generational Preferences</li> <li>• Technological Advancement</li> <li>• National Cultures</li> </ul>

Figure 2: Summary of Factors Influencing Employee Retention (own creation)

## 2.10 Conceptual Framework

There are a variety of factors that influence employee retention in a company. These factors however are not strictly quantifiable and depend on the context and individual employee. Furthermore, through generational shifts, the Covid-19 pandemic or technological advancements for instance, there are changes to the importance of specific factors for the employee and the company. Based on the following conceptual framework, this paper will provide an analysis into how the current trends influence the approach and strategy of international human resource management. The conceptual framework is based on the results from the literature review. In four categories of factors, the found variables that influence employee retention have been clustered. However, it was also determined that these factors get influenced by current trends, which are both, technological and in the expectation and needs of employees. Thus, these trends must be considered in the international human resource management and the strategy must be adapted to fulfil the factors through changing circumstances. In addition, business strategy, industry context and culture were found to have an impact on the human resource strategy by setting the framework that limits the actions that can be partaken towards employee retention. In the further analysis within this study, this partition of trends and the strategy, industry and culture will be used to enable different perspectives that demonstrate how changes in each of these aspects will influence the international employee retention strategy of a company.



*Figure 3: Conceptual Framework About the Influence of Current Trends on HR and Retention (own creation)*



### 3.0 Methodology

This chapter serves as a comprehensive guide to the methodology employed in this study, process of finding the right sources, choosing the research approach and philosophy, as well as outlining the overall plan for the study. By providing a detailed description of our strategy, data collection methods and consideration if data is valid, reliable and ethical, this chapter sets the stage for a robust and well-informed research.

Moreover, this chapter will be partially based on the research onion framework designed by Saunders et al. (2007), which outlines the essential stages in creating a research strategy. This model presents layers that represent progressively detailed phases of the research journey. The research onion can be seen as figure 4.

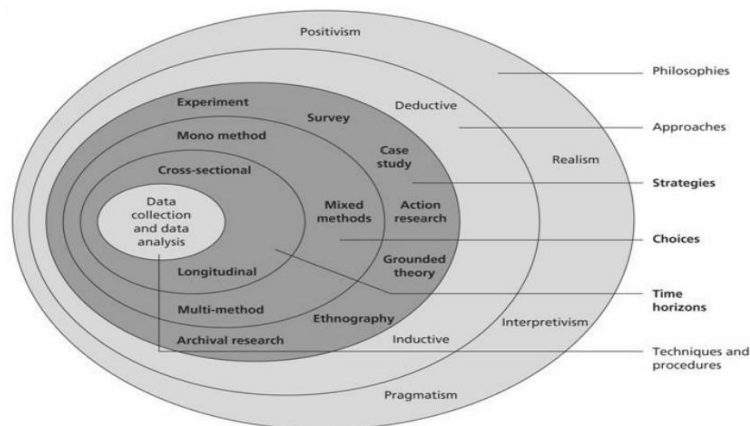


Figure 4: Research Onion (Saunders et al., 2007)

### 3.1 Research Philosophy

Research philosophy plays a crucial role in shaping the approach, methodology, and ultimately the outcome of a study. Moreover, it offers a perspective about how knowledge and sources were obtained, interpreted, and applied in the research study. As researchers, our philosophy will influence each step of the research from gathering data to interpreting it and applying them. There are four different research philosophies - pragmatism, positivism, realism, and interpretivism. They all differ in terms of what are the researchers' fundamental beliefs and assumptions in the research approach. This research paper is created with the belief of solving a problem and achieving desired outcome, with real-world application. Therefore, pragmatism was chosen for this specific study. The philosophy acknowledges the importance of combining theoretical theories with practical considerations to produce

meaningful results that can be applied effectively in a working environment (Saunders and Tosey, 2012).

Moreover, the choice of pragmatism as the research philosophy is particularly suited for studies that aim to have practical applications in a working environment. By prioritizing practical outcomes and solutions, pragmatism ensures that the research findings are relevant and useful for practitioners, policymakers, or other stakeholders. This study is created with the aim to help human resource managers increase their efforts in employee retention, therefore pragmatism is the correct approach. By adopting this philosophy, we acknowledge that the results of this paper are not merely abstract findings but have direct implications for real-world applications, specifically in the domain of human resource management and employee retention.

Furthermore, the use of pragmatism impacts the study results in several ways. It gives us, the researchers, methodological flexibility. The adoption of pragmatism as the research philosophy is distinguished by the inclusion of a mixed methods approach (Johnson et al., 2017). This flexibility ensures that we gather comprehensive data from multiple sources, both quantitative and qualitative in order to have depth and breadth of our findings. Pragmatism emphasizes engagement with stakeholders, practitioners and policymakers. Our role as researchers involves collecting data not only from databases, but also active collaboration with meaningful individuals to ensure that the study outcomes are relevant, actionable as well as address today's retention challenges. In addition, the result of the study aims to have application in real-world scenarios, therefore the gap between theory and practice needs to be seamless. The balance is crucial to ensure the relevance and usefulness of the study results. Pragmatism emphasizes the ethical considerations such as transparency, fairness, and accountability. Those ethical dimensions guided our interactions with interview participations and handling of data.

In conclusion, our role as researchers, guided by the pragmatist research philosophy, significantly impacts the collection method as well as the results of the study. Our commitment to solving a problem, engaging with individuals, using mixed methods, balancing theory and practice as well as upholding ethical standards all contribute to relevance, effectiveness and applicability of the findings in the context of human resource management and employee retention in a real working environment.

### 3.2 Research Approach & Design

In this study, a deductive research approach will be presented together with comparison of both qualitative and quantitative data. The choice of a deductive research approach is linked to several key justifications: Firstly, the deductive approach is connected to the pragmatist research philosophy, which emphasizes the practical application of knowledge and the integration of theory with real-world practices. Secondly, the deductive approach involves starting with already existing theory or knowledge and then evaluating it with empirical observations and data analysis. The approach aims to confirm or add on to existing concepts and frameworks. This approach is particularly suitable due to the ability of systematic testing of old theories in a field of employee retention strategies and their effectiveness in diverse organizational settings as well as the effectiveness of it in a new trends environment. Thirdly, choosing a deductive approach involves not only the comparability with pragmatist philosophy and suitability for our research hypothesis testing, but also other aspects. Deductive approach enables us to identify common patterns and trends across different environments making it more generalized and appropriate for human resource management across diverse cultural and organizational contexts.

Additionally, the integration of both qualitative and quantitative data enhances the validity and reliability of researchers' findings. The qualitative data refers to non-numerical data that is also unstructured. On the other hand, the quantitative data is numerical data and can be analyzed through statistical methods. Reason for choosing the mixed methods is triangulation, complementarity as well as minimization of overlooking and being a subjective researcher. The design of using qualitative and quantitative data will be a convergent parallel design where both data types are firstly collected then compared/merged and in conclusion the findings will be drawn (Harvard, 2024).

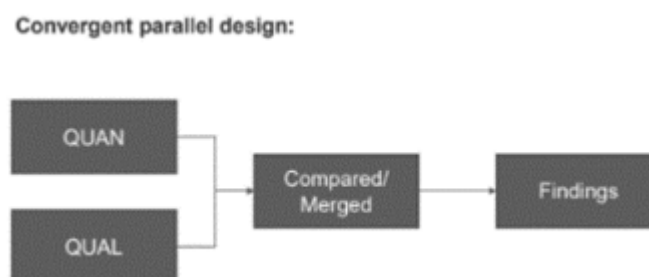


Figure 5: Convergent parallel design (Harvard, 2024)

The design of this research will be an integration of mixed methods, including both case studies and interviews to explore the research problem. Case studies will be used to dive deeply into four specific companies related to the phenomenon of employee retention and their current strategies, allowing for detailed examination and contextual understanding. Interviews will be a complementary approach that provide a perspective, opinion and expertise of human resource managers in international companies that face employee retention on a daily basis. The use of mixed strategies enables a multi-dimensional exploration of the research topic. In addition, the study adopts a cross-sectional time horizon that focuses on data collection at a single point in time in order to capture the latest trends and phenomena. Therefore, this time horizon examines current conditions and patterns providing contemporary perspective. The combination of case studies, interviews and a cross-sectional time horizon increases the depth and relevance of the study.

Within the context of pragmatism, the inductive and abductive research approaches were not as suitable for this study in comparison to the deductive approach. Inductive approach, which starts with observations that lead researchers to theory development, could be not suitable for this research due to no theory testing concepts related to employee retention theories. Similarly, the abductive approach, which combines elements from deductive and inductive approaches, could be less effective as it often is based on incomplete theories and information. Deductive approach aligns more closely with the objective of hypothesis testing and theory driven inquiry that aim to solve practical problems in a field of HRM. Therefore, both inductive and abductive approaches were rejected due to their potential limitations and better fit of deductive approach.

In conclusion, its influence will impact the findings in several ways. The study will either confirm or show the necessity of redesigning existing theories in a field of employee retention. Moreover, testing theory across diverse organizational settings and cultures will ensure that the findings are applicable to a wider range of organizations. Summarizing, the choice of deductive approach was driven by its theory testing behavior, generalizability across diverse contexts as well as integration with mixed methods.

### **3.3 Search Strategy**

The search strategy implemented in this study plays a pivotal role in guiding both researchers and readers on how the appropriate literature was found as well as what search terms were

determined. A well-structured search strategy is fundamental for several reasons such as ensuring the credibility and quality of gained data, easier reproduction of steps taken in the search process, as well as description of location of particular literature. Furthermore, a systematic and rigorous approach of keeping the same search strategy throughout the project will establish a strong foundation of the entire study. Figure 6 illustrates the literature search cycle, which consist of four main phases that facilitate the search of the most relevant literature.

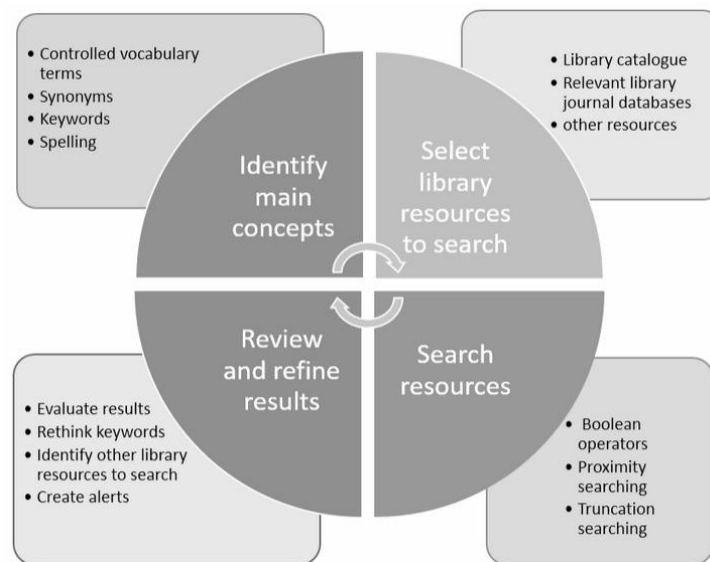


Figure 6: Literature Search Cycle (Charles Sturt University, 2024)

Phase 1 - *Identification of Main Concepts* - The initial step is to identify key concepts and generate search terms, keywords and phrases. In this study the keywords were employed as follows: retention, turnover, trends, motivation, engagement, culture, leadership, communication, loyalty, industry, generations. In order to refine search results and minimize irrelevant articles/books, specific phrases like “employee retention”, “human resource”, “human resource management”, “international human resource management”, and “job embeddedness” were added. Search terms were primarily associated with sources that included them in the title, abstract, or keyword section. Moreover, the spelling of keywords matters in order to get accurate results.

Phase 2 - *Selection of Library Resources* - The search for literature presented in chapter 2. *Literature Review* was primarily conducted through Aalborg’s university library, alongside Scopus database, SpringerLink and Google Scholar. To ensure the reliability and quality of the retrieved literature, a peer-reviewed filter was applied as well in order to ensure data to be up to date the publication date filter was also put at 2014. However, in cases of origin

theories, the researchers choose to go to the original sources, therefore some references might be even 70 years old. Furthermore, for case studies shown in chapter 4.1.1 the information collected come from companies reports as well as surveys conducted and posted by firms that were hired to do so.

Phase 3 - *Searching Resources* - The search process of finding appropriate literature involved the utilization of some Boolean operators (AND, OR, and NOT). They are able to explore various combinations of keywords and terms so that the results are as relevant as possible. For instance the AND operator was used using phrases like “employee retention” AND “human resource management” & “employee retention” AND “trends”. The other two operators were not used in the search bar, however, filtering by selecting date range and peer-reviewed work are also subject to the NOT operator.

Phase 4 - *Review and Refinement of Results* - It was essential to repeat this step multiple times in order to achieve the most favorable results. Not each keyword or phrase will lead to desired outcomes, therefore use of filtering modes as well as AND operator plays a crucial role in refining and mastering the final list of relevant results.

Literature sources were carefully evaluated for their relevance, application, reliability, credibility and general contribution to the research objectives. The decision of what to include in the paper was based on information’s’ importance, methodological rigor, and empirical evidence supporting key contexts in employee retention strategies. The chosen approach of using literature from diverse databases and conducting systematic search strategy using Boolean operators allowed for a comprehensive exploration of the research topic. In addition, the chosen strategy was designed in this way to ensure that all relevant literature is considered and by refining search results the minimization of irrelevant ones will take place. However, it is worth mentioning limitations, such as potential errors and biases in secondary sources (in-depth details in chapter 3.7 Selection Criteria and Its Limitation) and the need to constantly review & refine search results - Phase 4. In addition, the disadvantage of using multiple databases is overload and the need for careful validation of sources and choosing the literature that address the research question most effectively.

### **3.4 Data Collection Method**

The case studies presented in this project will be based on secondary data sources. The collection of secondary data is more manageable compared to collecting primary data, such

as through surveys or experiments. Moreover, nowadays the access is flexibly available from anywhere, at any time, which gives more freedom and allows this project to have a smaller time horizon. In addition, sources that are peer-reviewed as well as original websites of firms are reliable. The creation of the case studies involved selecting international companies that are relevant to the research topic and have significant insights into employee retention strategy. Moreover, all companies are well known and information about their retention efforts are available online through company reports and websites or peer-reviewed articles. The firms were also selected in a way that their industry as well as country culture differs. The only difference was Amazon which, like Netflix, is from the USA, however, it was chosen to show the huge gap between those two corporate retention strategies. The researchers aimed to show not only the best examples but also various strategies, both better and worse. The content will provide an overview of the firm's background, industry, home country culture and retention strategy on the basis of which the analysis will be carried out.

As previously mentioned, the methodology employed in this study will incorporate a blend of both qualitative and quantitative data analysis techniques and mixed methods. Data collected from interviews presented in chapter 4.1.2 are the only data that will be collected firsthand. Taking into account the views of current HRM employees is intended to confirm or deny information collected from secondary sources. In this study, there were two interviews conducted. Due to the interviewees' limited proficiency in English, the interviews were conducted one in German and one in Polish to ensure the participants comfort, facilitate better communication and gain more reach & in depth information. Moreover, each interview lasted approximately 50 minutes. Both HR employees agreed to participate voluntarily and provide consent to use their names and firm names, enhancing the relevance and transparency of the study. The choice of interviewees was based on criteria that they work in a multinational firm and their roles and experience is in the HRM to ensure that insights gathered will be relevant and valuable. Furthermore, the preparation for the interviews involved creating an interview questionnaire (available in Appendix) to ensure the consistency across both sessions and the range of topics. Similarly, the Appendix will include transcripts of the interviews available in English.

Moreover, collection of both quantitative and qualitative data offers a balanced and comprehensive exploration of the research topic. Although every approach has its strengths and limitations, the chosen methodology enables data triangulation, a better understanding of



contexts, and a wider application of findings to the actual environment. Therefore, the alternative of using only quantitative or solely qualitative approaches was dismissed. Qualitative data from the interviews are used to provide context and depth to the quantitative data from secondary sources. This approach allows the use of primary data gathered from HR staff to either confirm or challenge the findings from case studies, increasing the overall validity of the research. This project has a limited time horizon, which gives a limitation on what data collection methods may look like in this situation, however, we as researchers feel very confident in using this combination of methods and justify our choices throughout the methodology chapter.

### **3.5 Quality Assessment**

In ensuring the quality and reliability of the data used in the study, several measures were implemented. Firstly, use of databases that provide scholarly sources was a pivot role due to access to rich and valuable information. The articles and books available there already went through quality control measures ensuring that the literature fulfills high academic standards. Secondly, to further ensure the quality of pieces, the search result was filtered based on the date of publication. Filtering the outcomes by date of publication was crucial in obtaining data that are more accurate and reflect current trends in the field of employee retention. Lastly, the research involved selecting results based on higher numbers of citations. Papers with a high number of citations are considered more credible due to high recognition among other researchers. Furthermore, the literature review chapter alone covers 92 references, with a publication date between 2024 and 1908, however, 64% are between 2014-2024, as well as 27% come from the past four years. The references from 1900-1990 are intended to show the primary models and theories that connect to employee retention.

### **3.6 Ethical Consideration**

Ethical consideration plays a crucial role in each study ensuring the credibility and validity of the research process and final findings. In this study, the information comes from reputable and validated secondary sources that have undergone ethical security and are available publicly. In order to avoid plagiarism, proper citation and referencing will be followed throughout the paper. These actions enhance the reliability and validity of the research findings together with structured interview protocol and standardized data collection methods. Additionally, the research design for interviews prioritizes ethical principles



including informed consent, confidentiality, and respect for participants' rights throughout the data collection process including respecting participants' right to withdraw from the study at any point without repercussions. The researchers maintained a commitment to conduct the research without discrimination based on race, gender, culture or age. Supportively, the transparency in reporting will decrease the possible biases.

In this study on employee retention strategies in international companies, generalizability is a critical consideration. We - the researchers aim to apply the findings to other environments, settings and contexts beyond the specific sample. The presentation of diverse international companies in the sample shown in chapter 4 enhance the generalizability of the results by providing insights into retention practices across different locations and cultural backgrounds. The range of companies contributes to a broader understanding of effective employee retention practices that can be applicable and replicated in a global context. In addition, the research methodology and data collection procedures are described in detail in order for other researchers to replicate the study in similar settings. This chapter provides the understanding of researchers' steps and thinking to ensure the replicability of the study.

External, internal, and ecological validity has been considered as well. Table 1 presents key aspects in correspondence to our study.

Aspect	External Validity	Internal Validity	Ecological Validity
Definition	“External validity examines whether the findings of a study can be generalized to other contexts.” (Andrade, 2018)	“Internal validity examines whether the manner in which a study was designed, conducted, and analyzed allows trustworthy answers to the research questions in the study.” (Andrade, 2018)	“Ecological validity examines whether the results of a study can be generalized to real-life settings.” (Andrade, 2018)
Importance	Ensures that the findings can be relevant to other contexts.	Ensures consistency and dependability of research outcomes.	Ensures the authenticity and practicality of research outcomes.
Strategies	Selecting multiple international companies for case studies and	Rigorous data collection methods and standardized	Incorporation of real-world scenarios (case

	interviews.	protocols.	studies + interviews).
Data Sources	Mixed methods (interviews & case studies).	Validated secondary sources.	Practical applications.
Measures	Triangulation of data from multiple sources to obtain various viewpoints.	Reduction of biases.	Alignment of study design with actual business conditions.
Strengths	Understanding retention strategies in different environments.	Accurate and reliable outcomes within the study's limits.	Reflecting real-world conditions and practical usefulness of research.
Limitations	Challenge in generalizing the outcomes to all possible contexts.	Possible effects of confounding variables on research findings.	Challenge in controlling all factors in real-world settings.

*Table 1: External, Internal, and Ecological Validity*

### 3.7 Selection Criteria and Its Limitation

The literature selection criteria for this paper were rigorous and focused on access to scientific and reputable sources through credible databases and articles. Measures such as sorting search results based on publication date, citations count, as well as relevancy were employed to ensure the positive impact to the research. However, despite these efforts some limitations may occur. Secondary sources may have inherent biases or limit the scope. They provide valuable information, however, they might not present the whole perspective or include up-to-date data. Moreover, the focus on specific keywords might exclude some relevant outcomes that would be available with a use of different phrases. While keyword selection is necessary for targeted search and higher replicability of the study, it may overlook important findings. However, gathering interviews will provide a first-hand source of data, contributing to the overall reliability and increase the richness of the study. It is essential to note that the time horizon was limited, which may have restricted the breadth of literature. All those limitations are important to note and acknowledged due that they may

influence the depth of the literature review, findings chapters and provide a realistic assessment of the study's scope & boundaries.

### 3.8 Research Time Horizon

The study had a limited time horizon, predetermined to 19 weeks. Due to the short time frame the cross-sectional study was chosen in order to be able to not only finish the paper but maintain a high quality and outcome of it. In addition, the Gantt chart presented as figure 7, presents a holistic look at the process of writing this master thesis. As presented the longest time took the reading process, literature review and data collection. In addition, the researchers were able to finalize the paper two weeks before the deadline.

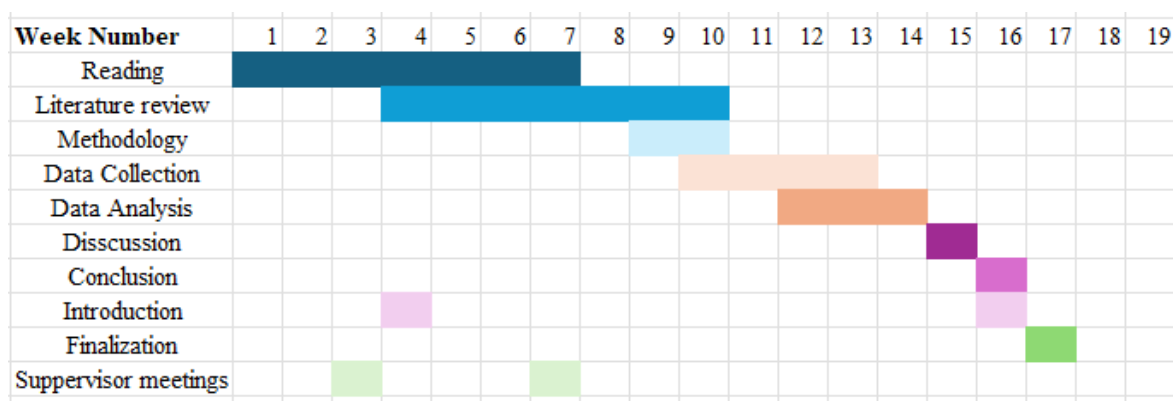


Figure 7: Work Breakdown Structure

### 3.9 Conclusion

In summary, the methodology chosen is justified based on its ability to address research questions effectively, uphold ethical standards, enhance reliability and validity, and provide valuable insights in the context of human resource management and employee retention. By adopting the pragmatist philosophy, a deductive research approach, and a mixed-methods design, the researchers' aim is to comprehensively analyze the multifaceted aspects of employee retention strategies. Despite the limitations, such as potential biases in secondary sources and the constraints of a limited time horizon, the rigorous methodology and ethical standards applied throughout this study ensure that our results are relevant, credible, and applicable in real-world HRM contexts.

## **4.0 Results & Analysis**

This chapter presents the findings and analysis related to employee retention in various organizational contexts. The results are divided into two categories - case studies and interviews. The analysis part will connect the facts and use the information gained to understand trends and strategic HR practices across various industries and cultures. This approach will provide an understanding of how international firms manage their retention and assess their effectiveness and value addition.

### **4.1 Results**

The following chapter will present the findings towards employee retention within the application context of selected companies. The findings are separated between two different categories of data. Firstly, case studies will be presented that demonstrate various companies that operate within different continents as well as different industries. The context that the businesses operate in will be elaborated, as well as the factors for retention and strategic approaches. In addition, practical approaches, stemming from interviews of HR personnel within different contexts, will be laid out. In the analysis these factors will be combined. The strategic approaches and challenges found within the case studies will be compared to the practices and operational approaches that were demonstrated by the interviews. Through the combination of strategy and insights from within the companies, evaluation of the impact of current trends can be made and be set into a strategic, industry and country specific context. Furthermore, case studies will be presented first in order to set a ground of possible retention strategies, which will then be developed further with more detailed information from the interviews.

#### **4.1.1 Case studies**

This paper will explore four distinct case studies. Each of the examples offer unique insight in the topic of employee retention. The selected cases are diverse in organizational landscape, industry, cultural context, and operational dynamic. The section is aimed to enrich our understanding of the multi factors influencing employee retention and firms ability to keep the employees happy and engaged in organizational culture and its goals. Each case study will provide an overview of the firm, its industry, culture, as well as main chapters about their retention strategies. The companies chosen are as follows: Netflix, Amazon, Pakistan

International Airlines, and Toyota. The companies were selected based on their difference in geographic location, industry and retention approaches. While Netflix, Toyota and Pakistan International Airlines score high in retention statistics and media perception, Amazon serves as a contrary example, based on the media perception of challenging working conditions and high turnover within the company. The goal is to provide a basis of comparison about how different cultural backgrounds and industry context influence the retention actions and effectiveness within a company.

#### **4.1.1.1 Netflix**

##### **4.1.1.1.1 Company Overview - Netflix**

Netflix was founded in 1997 by Reed Hastings and Marc Randolph in Scotts Valley, California, USA. Their business plan started with the idea of a subscription-based model for renting DVDs. They initially sold and rented DVDs by mail and in 1999 introduced a monthly subscription model, where users could rent as many DVDs as they wanted without additional fees. The transition to Netflix as we know it today took place in 2007, when the company began streaming its content on the internet. The shift in business model was taken thanks to advancements in technology and change in customers preferences. Nowadays, Netflix offers a library full of movies, TV shows, documentaries, and original content that meet most tastes. The rapid growth and increase of subscriber base were thanks to the global expansion, availability, as well as original content that was only available with Netflix accounts. Today, Netflix is the world's leader in the industry of entertainment services with 279 million paid memberships in over 190 countries. The popularity is also based on language availability (30+ languages available) and the convenience of online access, which means watching whenever and wherever the subscriber wants with the ability to pause, rewind and watch without any ads. Their subscription-based business model has three subscription possibilities (basic, standard and premium) that all are monthly fee based with differing in stream quality, number of accounts as well as possible number of screens running at the same time. Netflix has increased its revenue by gathering increasing numbers of subscribers, however, the company also faces challenges such as competition and need to constantly develop new content and invest in technology. Their competitive business strategy is based on two factors. Firstly, cost leadership to ensure low-cost subscription and high profitability and secondly, differentiation in its services to stand out from competitors. In order to make it happen, the firm employs 12,800 people from around the world. Netflix has

been chosen as a case study, based on its unique employee retention strategy that includes high trust in employees, autonomy and frequent communication as well as their abilities to retain top talent workers.

#### **4.1.1.1.2 Country Culture - Netflix**

Netflix main headquarter is in the United States of America and this factor also influences the company culture, attitude towards employees, & human resource strategies that include employee retention. The US is characterized by a predominantly individualistic culture, where there is a high emphasis on personal freedom, autonomy, and individual achievement (Hofstede Insights, 2024). This culture orientation values individual initiative, invention, and creativity, which is aligning with Netflix's culture of empowering staff members to be their own bosses and set high standards for themselves. Moreover, in the United States, success is often attributed to individual effort and talent rather than collective identity or social status. The country's culture is a fast-paced and result-driven environment, with the focus on short-term results and achievements. That reflects Netflix agile approach to content creation and technology advancements to deliver new experiences for its subscribers. In addition, the United States culture supports expressing emotions freely and encourages people to pursue their dreams. Those aspects align with Netflix workplace culture, where workers are encouraged to speak and contribute their ideas to support the company's success. Overall, the cultural value and beliefs of individualism, innovation and optimism in the US link to the organizational culture of Netflix.

#### **4.1.1.1.3 Industry Background - Netflix**

The industry Netflix operates in is entertainment and media, which has undergone a significant transformation in recent years due to newer technology, digitalization & shift in consumer behavior. The industry once was dominated by cable television and cinemas, but now it is pushed with streaming services. In addition, the landscape of the entertainment and media industry is characterized by intense competition and battling for subscribers using the newest technology. In order to remain competitive, the reliance on innovation, content creation and international expansions is a must. For years, Netflix has been at the forefront of technological innovations. For example, the firm developed sophisticated algorithms to personalize recommendations for users, enhancing the viewing experience. Furthermore, insights from LinkedIn show that tech and media as well as entertainment have one of the

highest employee turnover rates. It is around 13% and 12%, while the average for all industries is 10.6% (Lewis and Sorongon, 2022). Netflix stayed at 11% creating a more stable environment. Talented human capital is crucial to sustaining growth and competitive edge.

#### **4.1.1.1.4 Employee Retention - Netflix**

In delving into the ecosystem of Netflix, it becomes evident that the organization's ability to not just attract but retain top-tier talent stands as a testament to its unique and innovative approach to talent management. Their approach to business and employee retention is often anything but conventional. Netflix culture, which influences employee retention and engagement, has a core philosophy “people over process” (Netflix, 2024a). Netflix fosters an environment where decision-making is decentralized, information is shared openly and transparently, and employees are trusted with an unmatched degree of freedom and responsibility. Their most valued behaviors and skills are judgment, selflessness, courage, communication, inclusion, integrity, passion, innovation, and curiosity. Moreover, the firm is emphasizing the imperative of hiring fully formed adults and fostering a culture of truthfulness and honesty. Giving feedback and reports is a big part of the work in Netflix. However, in order to make it meaningful it is important not only to use positive and constructive feedback, but also productive/meaningful one, which may be hard to give or receive. The firm helps employees through coaching to build the courage and be comfortable with feedback.

Truthfulness and belief in employees are also shown in initiatives such as unlimited vacation days, where the employees decide about the length and the office does not count them as negative things. Their leaders encourage the rest of the team to take vacations and come back with fresh heads and new ideas. Netflix also says that “freedom itself is not the goal; the goal is creating a strong sense of caring for Netflix so that people do what is best for the company” (Netflix, 2024a). Surveys gathered by Comparably highlight the big success of this approach. An astonishing 94% of employees express pride in being part of the Netflix family, and 92% report that they are consistently challenged in their roles (Comparably, 2024). Patty McCord, who was the chief talent at Netflix said in an interview that pay should be based not on last year's performance, but on market value and the intrinsic worth of the employee. Being innovative, exceeding goals and creating value will be valuable not only to the firm but also other businesses. Therefore, Netflix employees need to constantly develop and keep being the best on the market. Mrs. McCord was one of the people that created a “keeper test” that aims

to retain only those whose performance is excellent. It is a simple yet effective evaluation method that assumes that if a manager did not actively fight to retain a particular individual, it was time to part ways. This test revolutionized the company's approach to employee retention and fostered a culture of accountability and alignment with the organization's values as well as validated the firm's commitment to excellence (Jaworski, 2021).

Netflix's commitment to equality and philanthropy extends beyond the workplace. The business has a range of initiatives to support social responsibility and inclusion. The Employee Giving Program is one of those initiatives, where Netflix enables employees to donate to causes they are passionate about and matches that with 2x the donation amount. In 2022, the company donated \$34 million supporting the program (Netflix, 2022a). There are also inclusive benefits like gender-inclusive parental leave. Those and other initiatives not only reflect Netflix's values but also increase a positive environment and place the employees can be proud of. As for gender equality the firm prepares yearly reports about inclusion in a workforce. They go over the gender, race/ethnicity, improvements in strategies, initiatives and more. Moreover, in past years Netflix has been showing better representation in published movies and series including several metrics (e.g. gender, race/ethnicity, LGBTQ+, disability) (Netflix, 2022b).

Netflix ranks among the top 10 best places to work for in a ranking of large companies in the USA. In addition, it ranks in the top 5% of similar-sized companies in its ability to retain high-quality workers. 75% of Netflix employees express commitment to the firm, and confirm that they would not accept offers from other companies, even if they were accompanied by a more lucrative salary. Furthermore, an impressive 87% of respondents said they are satisfied with the benefits offered, underscoring Netflix's approach to employee well-being. Moreover, 77% of employees express that they are eager to engage with their work each day. 16% of workers are nevertheless open to exploring other career options, however the vast majority (84%) thinks that the firm is actively working on retaining staff members (Comparably, 2024).

The organization is hiring employees in 26 countries creating a diverse environment (Netflix, 2024b). Netflix allows for flexibility and adaptation based on cultural differences and local regulations in different countries. However, the adaptation to local context may be tailored to specific regions while still maintaining the core principles and values. Everywhere employees can have a sense of ownership and trust in their abilities and judgment. Moreover, the



company recognizes the importance of investing in employee development regardless of their location. As for the compensation and benefits they may vary slightly from country to country based on local labor laws and market conditions, however the philosophy of rewarding employees for their contributions remains.

In conclusion, the case study of Netflix illustrates the shift in modern talent management & employee retention, where conventional norms are challenged, and innovative practices are presented. By fostering a culture of trust, empowerment, freedom, and transparency Netflix is able not only to attract top-tier talent, but also create an environment where employees can thrive. Moreover, the company is continuously navigating the constantly changing landscape of employee retention. It emphasizes how important it is to align organizational values with hiring and retention strategies, challenging conventional wisdom and inspiring a reevaluation of traditional HR practices on a global scale.

#### **4.1.1.1.5 Analysis of Employee Retention - Netflix**

The firm prioritizes employee engagement, job satisfaction, and loyalty, while fostering a culture where individuals can feel valued and empowered. Moreover, the revolutionary approach emphasizes a culture of trust, freedom and transparency. Netflix focuses on hiring top-tier talent and encourages behaviors that correspond to companies' values: judgment, selflessness, courage, communication, inclusion, integrity, passion, innovation, and curiosity. Netflix retention strategy starts with hiring policies. Netflix mainly rely on individuals that are reliable, knowledgeable, and have experience rather than recently graduated workers with lower expectations. The organization recognizes the long-term benefits of retaining talented employees who can fully commit to the company's vision and values and want to help in achieving its goals. In order to do so, Netflix focuses on creating a positive work environment with benefits, open communication, possibilities for development, and support social responsibility. In global operations Netflix understands the importance of adapting to local laws, cultural backgrounds, and preferences while still maintaining the core principles of the company.

#### **4.1.1.2 Amazon**

##### **4.1.1.2.1 Company Overview - Amazon**

Amazon was founded on 5th July 1994 by Jeff Bezos in the USA. Originally it was an online bookseller delivering to the American states and 45 countries outside the USA. Amazon has been able to turn a profit as it moved beyond the sale of only books in 1998. With many ups and downs in profit, Amazon managed to establish itself as one of the biggest companies in the world through its online retail services. One of the major innovations driving Amazon's revenue has been the introduction of Amazon Prime, which promised faster shipping times and later additionally video streaming and music services (Hopkins, 2023). Today Amazon strives to become the most customer-centric company, guided by the four principles of customer obsession, passion for invention, commitment to operational excellence, and long-term thinking. As the revenue has grown, Amazon kept increasing their workforce, at the end of 2023 Amazon employed approximately 1.525.000 employees. The revenue has been \$574,8 billion and the profit has been \$30,4 billion in 2023 (Amazon, 2024). Amazon has been chosen as a case study based on the size of the enterprise and the media perception of bad working conditions, high workload and high turnover. Thus, the goal is to provide a differing perspective that is more critical towards the effectiveness of employee retention investments.

##### **4.1.1.2.2 Country Culture - Amazon**

Amazon is an US-American company based in Seattle. The culture of the USA has been elaborated in chapter 4.1.1.1.2. In American regulations, workers unions have been established and grant specific rights to the employees, which include layoffs or the assignment of overly difficult tasks as punishment for instance (NLRB). However, while many benefits are offered within workers unions, in American culture they have not been considered to be a substantial part of business. In 2022, 11,3 percent of workers were represented by a union, decreasing by 0,3 percent compared to the previous year (Hussein, 2023). In all US-states except Montana, regulatory policies enable “at will” employment. This means that an employer or employee can end the employment at any time, without the need for a specified reason. Exceptions to “at will” employment persist if there is a specified clause within the signed contract, if the worker is in the public sector or if the worker is represented by a union with a collective bargaining agreement (USAgov, 2023).

#### **4.1.1.2.3 Industry Background - Amazon**

While Amazon is active in various fields of business, it is mostly known for their activities in E-commerce. The E-commerce business has been a continuously rising industry, especially during the recent times of Covid-19. Fundamentally, it provides the sales of goods and services through digital platforms and is projected to move from a sales value of \$5,8 trillion in 2023 to \$7,9 trillion in 2027. There are continuous trends towards international online shopping, caused by increasing digitalization and global shipping opportunities. Thus, companies in the E-commerce segment generally compete globally. Worldwide, Amazon is the second largest e-retailer with 11% of market share, only behind Alibaba. In its home market, USA, Amazon has a market share of around 38% (Snyder, 2024). Another major field in which Amazon is active is cloud infrastructure services, called AWS. With increased digitalization the demand for cloud computing has drastically increased. Cloud computing allows firms to store, access and share information remotely. In this field Amazon is the global market leader with 31% of the market share. The biggest competitors are US-american firms, such as Microsoft, Google, or Salesforce (Jebaraj, 2024; Synergy research group, 2023).

#### **4.1.1.2.4 Employee Retention - Amazon**

Employee retention is a major issue at Amazon. Employees on average only stay 1.5 years at the company which ranks it the 11th worst company for retention in Resume.io's (2023) global employee retention study. The study of Chen (2023) and the report on leaked internal documents by Ellis (2022) demonstrate this issue. Regarding its hourly workers, Amazon has a turnover rate of about 3% per week, respectively 150% per year. Only one third of new hires stay with the company for more than 90 days. In 2021 alone, fifty vice presidents within Amazon resigned. The voluntary turnover within Amazon is twice as high as the involuntary turnover, i.e., employees getting dismissed by the company. Attrition totals an estimated cost of \$8 billion annually.

The issues at Amazon are of diverse origin. Firstly, there is the issue of compensation. Until recently, Amazon had an established policy where the salary of corporate employees was capped at \$160.000 per year. In addition, employees were rewarded with stock options that would be increased with time spent within the company. However, this system was established when the growth of the company was stable and stock prices rose significantly.

However, the policy was still established when the stock growth slowed down or was negative. The maximum salary has then been increased to \$350,000 in 2022. In addition, Amazon changed the policy for parental and medical leave, which used to mean that employees do not get compensation while on leave (Stone, 2022).

While compensation can be the extrinsically motivating factor, the work environment itself must be regarded as well, to understand the intrinsic motivation with the workforce. Amazon has created a thoroughly demanding work environment. Employees stated that they feel lasting effects on their physical and mental health caused by the intensity of the work and expectations of the managers. Currently Amazon faces a lawsuit by its delivery drivers that stated that they were not granted breaks during their shifts, which forced them to use bottles to dispose of their urine (Hamilton, 2023). These examples and the stress level is paired with a lack of social benefits within the company, which leads to employees burning out more quickly. Even committed employees rarely stay more than 5.5 years, because of the high demanding work paired with the unfulfilling compensation, which leads to low emotional identification with the company (Stone, 2022; Chen, 2023).

Amazon's retention issue is present in all levels of the hierarchy. While compensation and the stressful work environment are great issues through the company, for leadership positions the primary reason for resigning is career development and promotions, according to leaked internal documents (Ellis 2022). Amazon has a strict limitation on promotions and upwards mobility with its hierarchy. 39% of leadership hires are recently graduated university students with little work experience. For the development of employees, Amazon has set up a department, which consists of 615 employees and is supposed to provide programs and measures to train and continuously develop the internal workforce. While the department consumes a budget of \$90 million annually, it has no standardized process to measure the effectiveness of their training program. Thus, the impact of the programs is uncertain. Amazon is attempting to improve in this regard by establishing a new scheme called Brilliant Basics. The test of the first leadership module was, however, only completed by less than two third of leadership personnel and did not demonstrate greater effectiveness than existing programs.

In summary, there is no single issue within Amazon that can be blamed for creating the low retention, but instead every factor within the work environment is responsible for this effect. On one hand, Amazon does not provide the hygiene factors for the employees to feel

motivated; The salary for employees has been limited, the working conditions are neglected or inhumane at some parts, and the working hours can be very demanding. On the other hand, Amazon does not provide motivating factors either. Growth and promotion are limited and the personal growth through internal measures does not show significant effectiveness. Amazon does not provide the incentives and work environment for employees to feel satisfied and emotionally connected to the company, thus employee retention is one of the lowest within established global companies.

#### **4.1.1.2.5 Analysis of Employee Retention - Amazon**

Amazon has remarkably high turnover. Amazon attempts to gain the maximum efficiency and productivity out of every employee within the company. Measures towards employee engagement, job satisfaction and loyalty are set to a low priority. Many positions are filled with recently graduated workers, based on their lower expectations and demand for wages. These factors lead to very cost-effective operation, considering the workload per individual employee. The requirement for this strategy to work is a streamlined recruiting process, which makes replacing employees as quick and efficient as possible. Especially in lower qualified jobs, Amazon does not see a competitive advantage in fighting for improved employee retention. Maximizing a singular worker's output is considered to outweigh the benefits of retention. In addition, the individualistic and success focused culture of the USA has granted a lot of freedom to companies in their ability to terminate working contracts on short notice. Trade unions that offer increased workers' rights are not popular and often incentivized against by corporations. This leads to only 11% of workers being represented by a union. In comparison, the average number of employees in trade unions within the European Union is 23%, while it reaches up to 74% in countries such as Finland (Fulton, 2015).

#### **4.1.1.3 Pakistan International Airlines**

##### **4.1.1.3.1 Company Overview - Pakistan International Airlines**

Pakistan International Airlines is an airline that was founded in 1955. It was founded as a part of the upcoming country of Pakistan, in order to support the development of the nation and to connect distant parts of the country. The airline currently operates 30 airplanes and employs around 8.000 employees (Pakistan International Airlines, 2024). The airline is based in Karachi in Pakistan and provides flights to 30 destinations across Asia, Europe, North

America and the Middle East. The core hubs of the airline are spread over Pakistan including Jinnah International Airport, Allama Iqbal International Airport and Benazir Bhutto Airport (Ahmed, 2018). In a study conducted by Resume.io companies were analyzed based on the retention of their employees. The study found that employee retention is noticeably high within companies of the airline industry. Within both the airline industry and Asian companies, Pakistan International Airlines demonstrated the highest value of retention. Employees stay 9,5 years with the company on average. The general business strategy of the company is based on a focus on quality, innovation and excellent customer service (Pakistan International Airlines, 2024). Pakistan International Airlines has been chosen as a case study, based on their extraordinary retention scores within the airline industry, while the industry itself demonstrates above average retention figures.

#### **4.1.1.3.2 Country Culture - Pakistan International Airlines**

In order to evaluate retention and human resource strategy, the context of the country, culture and typical work environment has to be taken into account. Pakistan ranks very highly towards being a collectivist culture. This means that in Pakistan there is a low sense of individuality but rather great focus on advancement of the society as a whole. This leads to reduced freedom of behavior for the individual and more focus on abiding cultural norms. Strict rules of behavior are an important part of Pakistani society (Minkov and Kaasa, 2022). In addition, Pakistan can generally be considered a monumentalism culture. The culture is based on long-term gratification of actions, while immediate results and consumption are not a priority. Furthermore, overly positive feelings are discouraged. In Pakistan feelings of pride and great self-esteem are limited within society (Minkov and Kaasa, 2022).

Regarding business culture, Pakistan is rather traditional. Usually there is no strong and established corporate structure with multiple levels of management, which however can be different in governmental institutions, where a stronger hierarchy is found. In addition, directors and managers in firms often stem out of the personal social circle of the CEO or owner. Generally, greater firms following a more regular hierarchy will have stranger loyalty and employees striving for a career, while smaller companies are more likely to extract as much productivity out of their workers as possible while neglecting work-life-balance aspects (Mukhtar, 2023). In addition, according to the longitudinal study by Gallup (2022), the engagement of Pakistani workers is declining. In 2012, 22,9% of workers were actively disengaged and 9,7% were actively engaged. However, in 2022 the amount of actively

disengaged workers rose to 29,7%, while the amount of actively engaged declined to 8,9%. In comparison, the average percentage of actively engaged workers globally rose from 13% to 23% in the same time span.

#### **4.1.1.3.3 Industry Background - Pakistan International Airlines**

According to the previously mentioned study by Resume.io, out of the 17 companies with the greatest employee retention, 11 companies belong to the airline industry. The airline industry is part of the aviation industry. While the aviation industry includes sectors such as manufacturing, the airline business is mainly conducted with the transportation of passengers and goods. While the travel restrictions caused by the Covid-19 pandemic put a strain onto the industry, the airline business generally is profitable post Covid-19 (Chen, 2024). Within the domestic area of Pakistan, there has been a decline in revenue for airlines since 2010. In general, the market for domestic airlines is connected to the performance of the market overall. Being a state funded operation, Pakistan International airlines has the biggest fleet and market share within the domestic market. Additional competitors, such as airblue and Serene Air have been established in the market at a much later time (Maslen, 2017).

#### **4.1.1.3.4 Determining Factors of Employee Retention - Pakistan International Airlines**

Employee retention has been praised within the company of Pakistan International Airlines. Therefore, studies have been conducted at different points in time to evaluate the priorities of the employees of the company with varying results. A study conducted by Nawaz et al. in 2012 conducted that the most important factor in employee retention at Pakistan International Airlines has been career propagation chances. This means that providing employees with the feeling that they can realistically advance their careers within the company will have the greatest effect on them staying within the company. Following this, incentives offered to the employees and the work setting experience were ranked as second and third most significant. Supervisory support and work-life balance were placed at approximately half the importance for retention as career propagation. Lastly, even though it was found to be significant for retention, organizational prestige was ranked at the lowest impact (Nawaz et al., 2012).

In 2018, a similar study of employees of Pakistan International Airlines was conducted. Factors of employee retention were adapted to current relevance found by the study. Factors were defined by their positive change towards organizational commitment. Hereby, job satisfaction was found to be the most significant factor. 1% change in job satisfaction led to



19% change in organizational commitment. Following were the factors of motivation to learn (17%), job autonomy (13%) and availability of training (11%). While organizational support had a slightly positive effect on organizational commitment, job involvement was found to have no impact. Regarding employee retention, it was observed that 1% change in organizational commitment led to 64% negative change of turnover (Ahmed, 2018). In summary, the following table compares the factors that were most significant for employee retention based on the studies from 2012 and 2018:

Ranking	Most significant factors in employee retention at PIA	
	2012	2018
1	Career propagation chances	Job satisfaction
2	Experienced incentives	Motivation to learn
3	Work setting	Job autonomy
4	Supervisory support	Availability of training
5	Work-life balance	Perceived organizational support
6	Organizational prestige	Job involvement

*Table 2: Comparison of Factors for Retention (Nawaz et al., 2012; Ahmed, 2018).*

#### 4.1.1.3.5 Current Developments of the Firm - Pakistan International Airlines

There are two types of turnover that must be differentiated: voluntary and involuntary turnover. Within voluntary turnover Pakistan International Airlines ranks as one of the best companies in the world with an average tenure of 9,5 years (resume.io). However, from the years 2010 to 2022 the number of employees within the firm fell from 18.019 to 8.031 (Pakistan International Airlines 2011;2023). There is a vast contrast between employee retention and the company performance. There are plans for privatization of the firm, since the company has various strategic and economic issues, which leads to rising debt and the inability to pay suppliers and business partners (Khan, 2023). Regarding the above-mentioned factors of employee retention by Ahmed (2018) may explain this disconnect. The top 5 factors for employee retention at Pakistan International Airline do not include monetary factors. Factors that are connected to the design of jobs and surrounding support systems have the greatest effect on retention. Thus, Pakistan International Airlines is able to keep employees engaged through times of financial struggle not by financial promises but by designing the work environment appropriately.



#### **4.1.1.3.6 Analysis of Employee Retention - Pakistan International Airlines**

For the retention at Pakistan International Airlines many different aspects must be combined. Firstly, culturally Pakistan is rather collectively thinking, which means that there is more loyalty and desire for collective success for the company. Individuals prefer to not abandon the company for their personal career gain. This is also demonstrated by their preference for learning and career propagation within the company. In addition, the industry context has major effects on retention. As previously stated, companies of the airline industry have one of the greatest retention of employees. Reasons for this can be the specialization of employees. Many skills and jobs that are needed, such as pilots for instance, cannot be converted to other industries. For these employees, the only alternative after leaving the company would be moving to competitors. However, in the case of Pakistan International Airlines the options are limited. Since it is a state-owned company, there are many strategic considerations that ensure funding for the company through times of economic downturn. This secures its market share, while not depending as much on the economic environment. Thus, employees trust in their position and company being secure long-term, while not having major competitors to move to within the market.

#### **4.1.1.4 Toyota Motor Corporation**

##### **4.1.1.4.1 Company Overview - Toyota**

The Toyota Motor Corporation, shortened to Toyota in the following, is a Japanese based company active in Motor vehicle production and sales. It was founded in 1937. Currently Toyota employs 70.056 employees in Japan and 375.235 employees globally with a turnover rate of 1%. Regional headquarters are located in Belgium, China, Thailand and the USA, while additional production facilities are located in South Africa, Venezuela, Brazil and Argentina (Toyota, 2024). With over 11 million sold units, Toyota is the globally leading manufacturer of motor vehicles by number of sales (Padenau, 2024). It set itself the mission to produce Happiness and mobility for all with the products that the company provides, while continuously improving all aspects of the company. Toyota has been chosen as a case study, based on their internal culture of community and long-term commitment, in addition to their internationalization methods, which vary between standardization and autonomy.

#### **4.1.1.4.2 Country Culture - Toyota**

Japanese culture is less individualistic than many European cultures and is strongly influenced by exceptional long-term orientation (Minkov and Kaasa, 2022). Japanese people see themselves only as a short timeframe in the grand scheme of the development of humankind. Thus, the culture is based on long-term contributions and research instead of short-term profit. In business, employees are very committed and dedicated to their work, with an exceptional sense of responsibility and hierarchy, which can lead to long working hours and a lack of work-life balance, especially in more traditionally led companies. Japan is a high-context culture, which means that communication is rather indirect and there must be a sense of understanding to fully pick up what the other person is communicating. In business, Japan often is focused on their own perception and fails to adapt to a more global mindset (Takaoka, 2024). Workers in Japan are not active in the establishment of unions that grant them representation and ensure workers' rights within the company. Historically, this led to the notion of workers showing their dissatisfaction by changing the company. Toyota faced this challenge in 1991, when workers were not satisfied with the working conditions and they had a yearly turnover of 25% within recent hires (Roser, 2014).

#### **4.1.1.4.3 Industry Background - Toyota**

Toyota is active in the automotive industry, specifically the field of development and manufacturing of passenger vehicles. The automotive industry is the 11th biggest industry in the world by market capitalization (Ghafoor, 2023). The Japanese market is home to the automotive manufacturers of Toyota, Mazda, Nissan, Honda, Suzuki, Daihatsu, Subaru, and Mitsubishi. These companies make up 2,9% of the Japanese GDP, however between these companies about 66% of vehicles are manufactured outside of Japan. The industry is strongly influenced by regulatory guidelines, especially in regard to emissions. The Japanese government forces the phase out of internal combustion vehicles by the year 2035. This leads to a rapid switch towards the implementation of alternative fuel such as electric and hydrogen vehicles (International Trade Administration, 2024). Thus, a high demand for research and development has arisen in the industry and engineers are needed to research and enable this switch to new technologies. The current engineers need to learn about battery and software development, in order to prepare the Japanese companies for the future changes in market requirements.

#### **4.1.1.4.4 Employee Retention - Toyota**

The fundamental focus of human resource actions within Toyota are the achievement of social contribution towards the company and self-realization through satisfying work. In the past, Toyota faced multiple periods of staff issues at the shop floor level. They were not able to fulfill the demand for their cars, because they did not have enough production workers. Especially during the 1990s. Toyota then implemented the failed approach of increasing the hours worked, through overtime and by including up to 10% temporary workers. Through this, turnover massively increased, which is when Toyota implemented their human resource philosophy of “humanization of the production system and of work”. Measures to increase shop floor retention were established. Examples are fairer salary, increased initial training, ergonomics and automation for demanding tasks (Roser, 2014).

Toyota conducts annual surveys to gather information about the job satisfaction of their employees. In this the general level of satisfaction and the specific reasons for satisfaction or dissatisfaction are ranked. The survey is conducted on both the administration/engineering and shop level individually. While administration and engineering employees state that their main point of satisfaction is the work quality and level of work, employees at the shop floor level state their salary as the biggest reason for satisfaction. Overall, in the Japanese facilities 78% of employees feel satisfied and feel personal growth, globally 73% of employees feel satisfied in Toyota facilities.

The goal of their human resource strategy is building engagement through mutual trust between employees and the company. The company is supposed to provide an appropriate work environment that fulfills the employee needs, while the employee is supposed to provide a maximum effort towards the prosperity of the firm. Toyota puts strong emphasis on the safety of employees with the overarching motto of “Safe work is the ‘gate’ to all work. Let us pass through this gate”. For this there are safety precautions that ensure that employees feel safe and comfortable at work. As well as physical safety, Toyota puts a lot of emphasis on the mental wellbeing of their workforce to keep them loyal to the company. Programs for self-care and professional mental health training have been established. These programs have been rolled out to the global workforce of Toyota with adaptation depending on the regional healthcare institutions and availability. In addition, Toyota supports families by offering extended maternity leave and pay (Toyota, 2018).

The global operations of Toyota have been structured according to the management of their Japanese facilities. Evaluation of employees and performances are standardized to ensure fairness and consistency within the global workforce. Management personnel that are responsible for the employees in international facilities are invited regularly to the Japanese headquarters in order to undergo training and development. Through this, the values carried out in the host country are established among the foreign operations. In addition, young graduates from Japan get sent to foreign operations for development programs to learn about the culture (Toyota, 2024). In its foreign operations Toyota shifted towards more autonomy for local human resources and retention measures. In the USA, Toyota made great investments into their facilities and gained local governmental support in order to retain employees and job positions. Overall, there is a local branch of human resources for each region Toyota is active in that is under the management of the Japanese human resource department, but is given autonomy of action, while being guided by the shared values of Toyota (Toyota, 2017; Kentucky Cabinet for Economic Development, 2024).

#### **4.1.1.4.5 Analysis of Employee Retention - Toyota**

Japanese culture leads to employees being very committed to the company they work at, with a high sense of responsibility. Human resource practices at Toyota focus on the workers being comfortable in their environment. This leads to more safety measures and automation to take over the more demanding work. The focus of the human resource strategy is to build a community within the company that makes the employees want to work towards a common goal and thus reduce their likelihood of wanting to change companies and leave their community behind. Globally, Toyota has been hesitant to change their operations to different approaches than those established within Japan. Over time, Toyota found it to be more beneficial to create regional headquarters that adapt to the country's culture. Especially in the automotive industry, there is fierce competition for employees, which means that Toyota must introduce practices that make them an attractive employer, especially in their foreign operations. However, Toyota still highly values its vision and Japanese way of conducting business, which means that there are a lot of management exchanges, to indulge foreign workers into Japanese culture, but also to learn about the culture of their host countries, in order to continuously improve company practices, by combining different global perspectives.

### 4.1.2 Interviews

This chapter presents insights from interviews conducted by researchers. The interviews serve as a primary source of qualitative data, offering valuable, in-depth insights that will complement the case study chapter. Companies presented are both from Germany, however, the second interview is with a HR director of the Polish market that has an autonomy gained from its home market. Therefore, the cultures of both examples are different and not intervening with the study. Furthermore, the industry and its retention strategies vary. Table 3 presents the two firms and the employees the researchers did the interviews with. Moreover, each interview will be added to the appendix part of the thesis.

Name of The Firm	Country of Origin	Country of Interviewed Branch	Name of The Employee	Position of The Employee
EnBW AG	Germany	Germany	Ursula Hemberger	HR Officer - Employer Branding and Recruiting
Rossmann GmbH	Germany	Poland	Ilona Perużyńska-Zych	Director of HR department

*Table 3: Interviews*

#### 4.1.2.1 EnBW Energie Baden-Württemberg AG

##### 4.1.2.1.1 Company & Industry Background - EnBW

EnBW is an energy provider with its headquarters located in the German city of Karlsruhe. The company employs around 27.000 employees and has created a profit of €1.537,6 million in the year 2023. The yearly turnover is at 7,9%, which is far below the German average of 11,8%. EnBW has control of its complete value chain, from energy production to trading, distribution and infrastructure. Hereby, they are active in both electric energy and gas. In addition, within one of its wholly owned subsidiaries EnBW created the largest infrastructure for electric vehicle charging within Germany. The business strategy of EnBW is based on the three principles of improving intelligent infrastructure, ensuring distribution through critical infrastructure, and creating sustainable energy production. To support this approach the company wants to focus on digitalization and flexibility in processes (EnBW, 2023). Through its vertical integration efforts, EnBW faces widespread competition within its different business sectors. Its main sector, however, is energy provision. This sector is separated

between five main energy providers. Sorted by revenue they are Uniper, Eon, EnBW, RWE and Vattenfall. One of the main strategic considerations that combines the companies is the move towards renewable energy sources. Within all companies the share of electric energy out of renewable sources is increasing, which is in line with the regulatory environment within Germany (Ameland and Bieler, 2018).

#### **4.1.2.1.2 Country Culture - EnBW**

The country and business culture of Germany can be analyzed by the different dimensions as described by Minkov and Kaasa (2022). The most notable aspect of German culture is strong individualism. This means that people in Germany have a strong desire for self-actualization and the realization of their personal goals and success. Simultaneously, Germans prefer planning and strategizing to avoid uncertainty and guarantee long-term success. Loyalty, however, is individual and based on the sense of duty and responsibility. Business in Germany is very structured. There is usually an established structure of multiple management levels that have responsibility over decisions. Plans are very detailed and do not adapt significantly. Furthermore, there is a strict difference established between business and personal life for employees. In business there are few non-work-related activities and less casual conversation with colleagues. However, there is a considerable importance set on work-life balance within Germany. Through unions Germans set strict guidelines on working hours, vacation time and out-of-office communication (Pearce, 2024).

#### **4.1.2.1.4 Retention Measures - EnBW**

In an interview Ursula Hemberger, who is responsible for employer branding and recruiting at EnBW, demonstrates the factors that influenced human resources in recent years and the company's reaction towards employee retention. The main event leading to rapid change of human resource approaches was the Covid-19 pandemic. Forced by German regulations, employees had to be enabled to work from home, since offices had to be closed. This created the "BestWork" human resource strategy. Actions included full flexibility of the location of work. To accompany this, offices needed to be adapted towards more open office setups and communal spaces, because the human resource department attempts to compensate for the reduced social interaction of remote work. These measurements are required and expected by employees, without these measures presumably turnover would increase significantly. In addition, these rapid technological changes in the work environment pose different

requirements for the employees. More digital skills are needed, which are generally already present or easier to acquire for the younger generation. Others need to be provided with learning opportunities. These can be made by a coach and focus on specific tasks or be made via video and online learning platforms that teach general skills. In the future, this will gradually take greater importance, caused by the increasing use of digital work tools and artificial intelligence in the workplace.

The strategy of human resources at EnBW is derived from the general business strategy. The aims towards sustainability and digitalization influence the specific actions that are implemented for employees, such as remote work and digital supply of documents. For retention, rewarding is a crucial factor. Monetary rewards, however, only work short-term. They are not based on direct performance but on the position and salary of the employees. At EnBW it was shown that non-monetary rewards such as sports facilities and medical service provide a more satisfactory framework for employees. Additionally, the external opinion of the company is important. Prices of electricity shape the population's opinion of the firm. Employees of EnBW are more satisfied and loyal to the company if the population has a positive image of the firm. For the future EnBW plans to adapt the strategy more towards changing expectations of workers and new generations. The main plan is working towards internationalization. On one hand, the company attempts to increase retention by offering a maximum of flexibility. While currently employees are able to work from any location in Germany, in the future employees should be able to work from anywhere in the world. This increases retention based especially on the proximity of the company to France, which enables employees to move more freely while staying at the company. In addition, this approach enables the recruitment of foreign employees into the firm. In general, the human resource strategy of EnBW is based on offering their employees trust and flexibility in their work. Employees should be able to integrate their work at the company into changing circumstances within their life. Monetary benefits are secondary, while work-life balance, satisfaction and psychological support of employees are the main activities for increased retention.

#### **4.1.2.1.5 Analysis of Employee Retention - EnBW**

The business strategy of EnBW is focused on adapting to modern trends in new technologies and digital advancement. The setup of their international human resource processes are guided by this. Most of the processes that are now established were caused by the Covid-19



pandemic and its effects on the social and work life. EnBW wants to maximize the job satisfaction of employees and thus grants them as much flexibility as possible, where people can decide about their place of work and their organization of meetings and social interaction. Through enabling digital work, EnBW on one hand increases retention by adapting more to the personal life of employees. On the other hand, this enables the possibility to hire employees internationally, which increases the potential workforce. In specific European countries EnBW will then potentially be the most appealing employer for potential candidates, because it offers standardized German working conditions and salary to all employees, which will make them more competitive and ensure the loyalty of these employees.

#### **4.1.2.2 Dirk Rossmann GmbH; Polish Market**

##### **4.1.2.2.1 Company & Industry Background - Rossmann**

Dirk Rossmann GmbH also known as Rossmann was founded in 1972 by Dirk Rossmann. This leading retail chain in Europe has its headquarter in Germany, however, over the years it expanded its footprint across multiple countries including Poland, Hungary, Czech Republic, Turkey, Albania, Kosova, and Spain. In its offer, Rossmann has an extensive range (over 24,000 products) of personal care, beauty, household, health, and food products. In Poland, Rossmann gained popularity by strategically positioning itself as a retailer of high-quality products at competitive prices. The first store in Poland was opened in 1993 and in 2000 the firm gained 61 drugstores. Increased popularity created opportunities for development and growth and as of the end of 2023 there were 1785 drugstores. In comparison to other countries outside Germany, Poland is the biggest market for Rossmann. In numbers, 74% of all stores outside Germany were placed in Poland as for 2022 (Petruzzi, 2023). Rossmann in Poland employs around 16,800 people in different positions from office employees to cashiers and warehousemen.

Furthermore, Rossmann is a leading player in the Polish market, with a notable 30,3% market share in the chemical and cosmetic industry, reinforcing its status as a frontrunner in the retail sector (Rossmann, 2024). This significant market share puts Rossmann in a role of shaping customers preferences and setting industry standards.



#### **4.1.2.2.2 Country Culture - Rossmann**

In the context of the Polish market, Rossmann operates within a unique cultural framework characterized by a strong emphasis on autonomy and localized decision-making, rather than German influence. The culture of Rossmann in the Polish market matches the needs and dynamics of the Polish workforce. The culture is rich with traditions, sense of community, and hard work. In addition, family is highly valued, and it shapes the social life of many people. The cultural backdrop influences every Rossmann's HR project or initiative, creating a well-fitting form that embraces the preferences and aspirations of Poles.

#### **4.1.2.2.3 Retention Measures - Rossmann**

At Rossmann, employee retention is not just a metric; it's a testament to the organization's commitment to creating a fulfilling work environment. As for the industry standards, Rossmann has an impressive high employee retention of 7.5 years. The firm prides itself on workers not only finding a job but building a career. According to the HR director - Ilona Perużyńska-Zych, maintaining such high retention attributes the firm's engaging job structure and strategic initiatives aimed at employee satisfaction and needs. As Mrs. Perużyńska-Zych states, "Part of our personnel strategy is such a slogan 'I came for a while, I stayed for years'. And in fact, that is the case." This philosophy and the results of efforts of HR departments create a space where employees can feel needed, have opportunities to grow & develop their skills, as well as a sense of belonging. In addition, the job market in Poland had and still has uncertainties. Lately there have been a lot of bankruptcies, new workers from Ukraine and other disruptions, therefore as a big long-standing organizational presence and showing commitment to its workers Rossmann creates a sense of security for its employees. Rossmann employees feel good there and even invite friends and family members to work there.

The Polish Rossmann HR department has its comprehensive structure. It is constructed with six sub departments covering various aspects of employee management, including HR and payroll, development, employer branding, benefits, occupational health and safety, and external workforce coordination. If an employee has any trouble, they will be connected with a particular department that will try to help and address employee needs. Furthermore, underneath the HR director there are 205 people. In order to make the initiatives, benefits and overall changes successful it is important to have a cross-departmental communication. "Regular meetings... ensure alignment and coordination." Mrs Perużyńska-Zych emphasized

that each department is in communication with each other, but that also every month the leaders of each department are meeting with her for any updates and preferable actions. In this way, everyone knows what the further approach will be. Moreover, people can join each other's initiatives or say that they are inappropriate and will jeopardize another project.

Rossmann's commitment to employee well-being extends beyond traditional benefits. The organization takes a proactive approach to understanding and meeting employee needs, evidenced by initiatives such as the "#We have time" campaign. This initiative, as described by the HR Director, provides employees with dedicated time for informal conversations, fostering a sense of community and connection. Additionally, Rossmann provides a range of benefits tailored to address various aspects of employee well-being, including healthcare, financial stability, personal development, and work-life balance. Nowadays, benefits are both in person and online. Online benefits started to appear in and after Covid-19 pandemic. The principle of benefit strategies are inclusivity and accessibility. "All of our benefits are open to the employees. There is no benefit to a specific group/department." This strategy shows Rossmann's commitment to provide equal opportunities regardless of the employee's rank. Furthermore, Rossmann's benefits program is continuously evolving based on employee feedback. As the HR Director explains, "Once a year we ask our people how the benefits we have provided them meet their needs." This feedback-driven approach ensures that benefits remain relevant and impactful, contributing to overall employee satisfaction and retention. On top of that, initiatives are invented by other HR employees or the director herself. An example is noticing the increase in people who felt lonely and bought a pet during the pandemic. To help pay veterinary bills, people can choose a health package for their pet. This initiative demonstrates Rossmann's agility and responsiveness in meeting changing demands. However, not only animals can benefit from Rossmann's benefit program. Employees' children can also gain tutoring or other facilities.

Rossmann's nature includes work predominantly requiring physical presence in drugstores and warehouses, however, the firm embraced hybrid work models within office settings. These arrangements vary across teams and are undertaken by leaders based on the nature of his/her team's tasks. Despite a big movement in online work, Rossmann acknowledges that not everything can be done via the internet. Moreover, the HR director emphasizes the fact of adding value to creativity and building relationships through face-to-face interactions. She mentions that teams that have high levels of collaboration and innovation have more in-office

hours. However, it is open to exploring hybrid work arrangements that will balance both the benefit of flexibility and in-person collaboration.

Rossmann embraces a multi-generational workforce, from 18-year-olds to people that are already on pension, recognizing the value of varied perspectives and experiences. Younger employees “show us 'I will do it tomorrow. Will something happen if I do this tomorrow?'". They are setting boundaries and prioritizing work-life balance, which in a longer run will stop such a huge problem with burnouts. Moreover, the HR director mentioned how technology is easier for them and that they are happy to teach and show new ways of doing things and on the other spectrum baby boomers can learn from them but also assist and contribute wisdom and mentorship. This integration dynamic not only enriches the work environment and culture, but also presents opportunities for knowledge exchange and innovation.

Looking ahead, Rossmann notices changes that will affect it in the future. One of which is an aging society. They are already planning to respond to this problem by employing teenagers for easy and part-time jobs. Youth employment program's aim is to show young people that Rossmann is a good working place and convince them to stay for longer as full-time employees. The second future trend is exploring initiatives such as shorter workdays and increased flexibility to meet evolving employee expectations. These are the changes that can affect Rossmann therefore it is a good idea to further investigate it and keep a close eye on the market changes. By corresponding to employee needs and market trends Rossmann can aim to sustain its position as an employer of choice. Where people feel heard, safe, important, and can flourish in their careers.

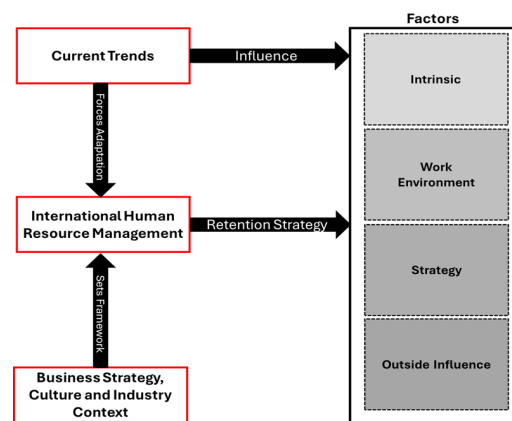
#### **4.1.2.2.4 Analysis of Employee Retention - Rossmann**

Rossmann prioritizes employee retention as a key driver of its operational success having an impressive average retention period of 7.5 years. The company's strategic initiatives, such as engaging job structures and tailored support from a comprehensive HR department, foster a sense of belonging and opportunity for professional growth among employees. Beyond traditional benefits, Rossmann is constantly working on new options to satisfy its employees, but also their families and even their pets (veterinary benefits). Moreover, well-being is taken seriously, and the firm invest in initiatives like “#We have time”, as well as promoting work-life balance. Embracing a multi-generational workforce, the company recognizes the value of

diverse perspectives and experiences. In addition, the firm looks at possible future trends and proactively tries to find solutions for them.

## 4.2 Analysis

The following chapter will provide an analysis for the results of the previously gathered information. The analysis will be guided by the previously established conceptual framework. Based on the framework, first current trends within the workforce and HR will be analyzed and put into context. Furthermore, it will be demonstrated how HR departments within multinational corporations gather this data from their employees and implement new processes into their operations. In addition, the strategic, cultural and industry specific context of employee retention will be analyzed. Here, the focus lies on elaborating the impact of these business contexts on the strategic international human resource management.



*Figure 8: Conceptual Framework*

### 4.2.1 Recent Trends

Recognizing and understanding the various factors influencing employee retention is crucial for international firms to maintain a satisfied and engaged workforce. As presented in the conceptual framework the four categories of factors are influenced by current trends. Each company, featured in the findings chapter, highlights the distinct strategies and approaches they use to foster retention. The following table 4 presents a summary of what the companies are focusing on and making available for their employees. It demonstrates what efforts and processes the companies apply to increase their employee retention. For all companies, the points listed are the main aspects that make them different from the competition and convince

the employees to retain within the company. The only exception being Amazon, where the described points lead to the previously elaborated low retention of employees.

Company	Human Resource Actions
Netflix	Emphasis on company culture and aligning it Decentralized decision-making – high degree of trust & freedom Open communication and frequent feedback Focus on employee well-being Online work available Positive company image
Amazon	Lack of social benefits High stress levels Unfulfilling compensation for a high demanding work Lack of career development and promotions Neglecting physical and mental health
Pakistan International Airlines	Focus on career progression (long-term career growth) Increase job satisfaction - Positive work environment Employees are increasingly invested in development programs Enhanced job autonomy Supportive work environment
Toyota	Fair compensation and training Emphasis on safety and mental well-being Global standardization with local autonomy Emphasis on trust Cultural exchange
EnBW	Remote work – flexibility in the location of work Digital skills development Alignment with business strategy Non-monetary rewards Positive company image Adaptation to changing expectations

Rossmann	Focus on long-term career development Proactive well-being initiatives Benefits Continuous feedback and improvement Hybrid work models if possible Integration of multi-generational workforce Trying to be proactive about future trends
----------	---

*Table 4: Companies and Their Actions*

Analyzing the trends observed across the case studies and interviews reveals several key insights into the strategies employed by organizations to enhance employee retention. While some companies, like EnBW, Toyota and Rossmann, prioritize initiatives aimed at improving employee well-being, career development, and non-monetary benefits, others, such as Amazon, struggle with negative retention strategies. Amazon's highest neglect is employee well-being. The high stress environment, coupled with demanding expectations and limited benefits takes a toll on workers' physical and mental health. That later on results in burnout, dissatisfaction and no connection or loyalty towards the firm, leading to high turnover rates.

Furthermore, current trends influence factors and force adaptation on international human resource management. Key trends seen in international corporations from the cases, except Amazon, show the priority to support employees and answer their needs. They listen to their employees, market changes, and adapt based on them to increase engagement and long-term cooperation. In addition, they emphasize company culture, provide flexibility and autonomy, offer remote work options, and proactively act with stress and support well-being initiatives. Moreover, current trends such as digitalization, newer technology and integration of multi-generational workforce are also being embraced by high retention companies, and advances are being used to upgrade and support relationships and the work environment, as well as efficiency within the company. Those findings undermine the diverse range factors that contribute to employee satisfaction, loyalty, engagement and long-term collaboration. Therefore, based on the findings chapter we can notice a clear pattern: businesses that prioritize employee well-being, career development, benefits, and adaptability to changing expectations tend to experience higher levels of retention. These findings also align with the conceptual framework where there is a connection between current trends and factors. They influence the factors and their intensity. In the context of the conceptual framework, these

cases exemplify how current trends such as remote work, digitalization, greater communication, and employee well-being initiatives impact various factors within the organizational setting. EnBW's focus on remote work and digital skills development reflects the influence of technological advancement on individual factors like job satisfaction and engagement. Rossmann's proactive well-being initiatives and a very wide benefits program resonate with the importance of intrinsic factors such as well-being and brand loyalty in enhancing employee retention. On the other hand, Netflix's emphasis on company culture and open communication illustrates the significance of collective factors such as business culture and leadership style in fostering employee satisfaction and working in an environment where there is constant communication and open space. As for Pakistan International Airlines, the dedication towards career development and providing a supportive work environment highlights the significance of organizational values and social actions that foster employee engagement. Similarly, Toyota's focus on safety, well-being, and fair compensation reflects a comprehensive strategy aimed at fostering trust, engagement, and loyalty among its employees.

Their efforts correspond to a summary of factors presented on page 32, which displays two groups of factors: individual and collective ones. As organizations navigate through international employee retention, they should not only look into answering the problems of one set of factors. They should see the whole picture. The landscape is constantly changing. Being able to notice that and adapt quickly is crucial for competitive advantage as well as good reputation among workers that firms can listen, address needs and most importantly take its people seriously and take care of them. Moreover, the conceptual framework shows the importance of those individual and collective factors and their influence on international human resource management and retention strategy adaptations.

#### **4.2.2 Measurements of Employee Retention Initiatives**

Measuring employee retention effectiveness efforts enables organizations to have many useful insights. Gathered data may help to analyze the success of the initiatives as well as notice the trends that occur over time. In addition, organizations can more easily address issues proactively, improve employee satisfaction and engagement in everyday work; ultimately improving employee retention strategies will drive long-term success and sustainable work environment. Based on the case studies and interviews, MNCs employ

various methods to measure the success and effectiveness of their employee retention strategies.

1. Employee turnover rate - The first metric used that is the easiest one to gather, but also makes it easy to notice the overall picture of retention is employee turnover rate. This quantitative indicator can show the percentage of people that are no longer a part of the company. Organizations assess the longevity of their workforce as well as the effectiveness of their retention initiatives. All MNCs mentioned in chapter 4 use that metric. Moreover, as seen on Netflix and Rossmann's example, a firm can compare itself to other businesses in the same industry, or like EnBW to the country context. By doing so the organization monitors their competitive advantage and can act based on the results.
2. Average retention - Employees stay for an extended period, which can serve as a source of insights that the environment the employee is in is positive. Moreover, work reflects that person's needs and demands. For instance, Rossmann boasts an impressive average employee retention period of 7.5 years, indicating the effectiveness of their initiatives aimed at creating a fulfilling work environment. Similarly, Netflix employees demonstrate remarkable loyalty, with 75% expressing commitment to the firm and 87% expressing satisfaction with the benefits offered. On the other hand, Amazon shows that their retention efforts are negligible. Only 1.5 years show that people want change, and that the organization is not suitable for staying and planning long-term cooperation. These examples highlight how MNCs can measure the success and failure of their retention efforts by assessing the average length of employee tenure.
3. Benefits enrollment - It reflects employees' engagement with and utilization of benefit packages offered by the company, which sometimes are critical components of overall retention efforts (including the Rossmann case). Each firm by giving benefits keeps track of how many people signed in for a particular benefit. High enrollment can illustrate positive reception and that firm provides relevant to employee's needs, opportunities and activities. Conversely, low enrollment rates indicate potential gaps as well as disappointment in the packages signaling a need for improvement. Furthermore, benefit enrollment data can provide insights into employee preferences and their priorities, allowing MNCs to tailor their benefits offers to better align with



employee's needs. Collected data can also show evolving trends and give the firm competitive advantage by having time to act upon it.

4. Feedback - As mentioned by the HR director from Rossmann, employees' feedback can provide valuable insights into the effectiveness of retention initiatives. By gathering feedback on benefits packages, work environment, and overall job satisfaction, MNCs can understand employee preferences and identify areas for improvement. For instance, Netflix encourages open communication and feedback through initiatives like unlimited vacation days and coaching sessions to build comfort with feedback. Similarly, EnBW solicits feedback from employees to understand changing expectations and adapt their retention strategy accordingly, such as offering remote work options and digital skill development that were based on the employees' desires. Toyota conducts annual surveys differentiating administrative, engineering and shop floor positions in order to implement fitting measures for each.

These examples demonstrate how firms may gain additional insights into employee's behaviors and preferences. They give advantages while evaluating retention strategies and refine them in a way so that they are even better received.

#### **4.2.3 Business Strategy VS International Human Resources**

The business strategy is a crucial tool that guides the actions of every function within the company. On one hand, the strategy ensures long-term profitability and survival of the business and on the other hand, it gives a sense of direction for management and employees. As demonstrated, strategic approaches can differ vastly between companies. EnBW, Netflix and Amazon strive for innovation and improving their business model and practices. Simultaneously, Amazon, as well as Rossmann and Pakistan International Airlines, have a focus on generating high quality service for their customers. Furthermore, cost effectiveness is an aspect that is part of the different strategy to varying degrees.

Cost is a fundamental aspect of business operations. Cost vastly influences the profitability of the company. Depending on the industry, human resource management can be a major factor of cost and provide many strategic options for the implementation of improved cost-effectiveness. Amazon's business strategy is focused on invention and customer satisfaction. This is demonstrated in the way the human resource at Amazon operates. For instance, in delivery, the main priority for Amazon is to deliver goods as quickly and efficiently as

possible to the customer. While this focus is on line with the strategy and customer expectations, the work environment of the individual delivery workers takes a lower priority. Similar observations can be made in multiple departments at Amazon. Office workers get overwhelmed with workload, in order to gain maximum productivity from each individual, which in return leads to high turnover at each level within Amazon. However, if the increased output of current workers outweighs the transaction cost of the hires, cost-effectiveness is achieved, despite low retention. Netflix, EnBW and Rossmann provide a differing approach. Within these companies, retention was set at a higher priority. In this approach there is a high value set at the knowledge and satisfaction of workers. The cost of retention measures is considered to be less than the cost of high retention. The business strategy, which aims towards quality and innovation in these firms, thus influences the HR strategy to aim for maximum engagement within the workforce. However, HR strategy is still guided by the principle of cost effectiveness. While monetary incentives are used in these companies, they are of lower priority for the firm and the workers. Measures such as flexibility in remote work vastly improve employee satisfaction but are of lower cost for the business and may even reduce costs by decreased office space requirements and energy use. Other measures such as more flexible vacation days or social activities within working hours may lead to transaction costs within the firm but may also increase productivity in the active working hours.

The strategic focus on external communication and customer satisfaction may also increase retention, provided they get offered the opportunity to actively work on the external brand image. Incentives by Rossmann for instance, try to establish a positive impression of the brand within the general population, especially in younger generations. As well as Netflix, which is trying to establish itself as a brand that people are proud to work for, which makes people more satisfied with their work environment. The loyalty to the brand increases the engagement of employees and makes them more likely to recommend friends for open positions or otherwise spread a positive image around their social circles.

Operational strategy is a part of the business strategy that is more focused on the practical measures and processes that must be established in order to reach the overarching business strategy goals. Many companies consider the development of their individual employees important to ensure that they are qualified for the actions and future direction the company wants to take. For this EnBW uses specific training programs that get adapted to the strategy

of increased digitalization and sustainability within the company. On one hand, this gives the employees more job engagement through opportunities to learn and to develop themselves, while on the other hand, the company benefits, because it can prepare the employees specifically for future business directions. Employees in operational positions will then more easily be able to adapt to different circumstances and reach changing and increasingly specific operational objectives more effectively.

To ensure a maximum of efficiency, multinational corporations must organize their international strategy, according to their countries of operation. This provides the question of increasing autonomy of foreign operations or the establishing of a global hierarchy. In the case of EnBW foreign operations are located in countries that are geographically and culturally close to the home country Germany. While guided by strategy of the headquarters, foreign operations have their own salary guidelines and increased autonomy in setting up their own HR and retention measures. In contrast, Toyota used to have a more standardized approach in their operations in the USA and Australia, where their operations were heavily inspired by the business culture of Japan. This was found to be ineffective, thus, to increase employee satisfaction and effectiveness, Toyota later set up main human resource departments in each country in order to adapt the processes to the culture of their countries of operation. This makes it more effective to adapt to changing environments and to overcome cultural differences. Toyota still actively encourages exchange between their home and host countries to communicate its values that the foreign operations are supposed to be guided by.

In summary, business strategy and human resources are strongly connected. The employees of the company are a major contributor of value to the firm but are also one of the greatest sources of cost. Human resources must set priorities, based on whether the business strategy sets goals of efficiency and cost leadership, or if the business strategy is based on development and innovation. When working towards cost leadership, retention measures may pose a high cost that is not able to be justified, such as within Amazon. However, when working towards future trends and innovations, such as Netflix or EnBW, it can be beneficial to develop the employees in specific niche fields in order to foster new ideas. This however will require increasingly expensive measures to satisfy the expectations of employees to retain them and make use of their development.

#### **4.2.4 Industry Context as a Influence**

The industry, in which a company operates in, will have a major influence on how human resources are structured. It affects the required qualification and knowledge of workers, the force of competitors and the demand and opportunity for continuous development of the workforce. Initial differences can be identified between companies that have tangible products, such as Amazon, Rossmann and Toyota, physical service such as Pakistan International Airlines, or intangible products such as EnBW and Netflix.

EnBW and Netflix have the advantage of increased flexibility in their human resource processes, based on the fact that a majority of the workforce is not required to have physical presence at the facilities to conduct their work. This enables the company to offer remote work. After the Covid-19 pandemic, remote work became a standard option in many companies to a specific degree. EnBW and Netflix offer this flexibility of working location, on one hand as a benefit that is expected by employees and on the other hand as a tool for employee retention. It is useful for retention since it makes the company more adaptable to personal circumstances of employees. Having a child or having to move to a different region for personal reasons does not mean that the employee will have to leave these companies. Companies providing physical products and services are influenced more strongly by the personal circumstances of employees, since a major part of employees must be able to travel to work daily. Retention measures thus vary since digital incentives for more flexibility cannot be provided for all employees. As Rossmann and Pakistan International Airlines demonstrate, successful retention measures are programs for the development of employees that increase their skill and knowledge, as well as setting up an environment of community where employees feel connected to their workplace.

In the retail business there is strong local competition caused by a great number of companies that are active within this industry. For companies such as Rossmann the goal is to create employee engagement by creating a communal space, which increases loyalty and ties the employee to the brand. A different perspective on the retail industry is taken by Amazon. Amazon perceives there to be a high availability of employees in the retail environment, especially in the area of the shop floor and logistics. For this reason, high turnover does not affect Amazon as negatively as other industries, since the positions of leaving employees will be able to be replaced more quickly.

The automotive manufacturer industry is dominated by a select number of big companies that are mostly located in Japan, the USA and central Europe, which are the locations where Toyota has set up manufacturing subsidiaries. Thus, the competition for workers is remarkably high. Especially, since the automotive industry is rapidly changing to the new technology of electric cars. This leads to great importance of innovation and development, which is based on the creativity and knowledge of employees in the company. Employee retention takes a significant role in this industry, to ensure continuous innovation and not lose important developers to the competition.

Increasingly specialized industries can, however, be beneficial to the company and simplify the need for retention practices. Pakistan International Airlines operates in a specific field and market environment. On one hand, the airline industry is a field of business that requires specific knowledge and qualifications, such as for pilots, which has limited application outside the industry. On the other hand, it owns the vast majority of the market share within its host country. Especially the combination of these aspects, leads to employees of Pakistan International Airlines being provided with very limited alternative work opportunities.

#### **4.2.5 The Influence of a Country Culture on Retention**

Operating in a specific country requires local adaptation of the firm. Cultural aspects such as local institutions, values, or expectations of work and the business environment must be considered. As demonstrated within the cases, different countries have different motivations for work and success. Cultures such as Germany focus strongly on status and work-life balance. Measures such as performance bonuses and flexibility of working hours and spaces have been established as a basis for work. The individuality of the worker is highlighted through this, because there is limited need for physical social interaction, but instead personal freedom is valued. This must be established for the retention of workers in the culture. Collectivist cultures such as Pakistan instead focus more on common goals. Incentives within the company are more focused on the design of the job position and on personal learning and development, in order to advance the collective business unit.

The local work environment is often shaped by the framework set by normative institutions in the country. A difference between European, Asian and American companies can be seen in the aspect of the business environment and workers' rights, specifically towards termination of working contracts. US-companies, can legally fire workers without a distinctive

requirement of previous notice or compensation requirements. Trade unions can support workers' rights and make it more difficult to terminate working contracts, however, in American or Asian culture it is not common to join trade unions in comparison to most of Europe. Therefore, in many European countries, like the ones EnBW operates in, Unions formed the normative environment and provided guidelines for workers' rights and compensation. This leads to a higher cost of turnover within these European countries. Thus, it is easier for companies operating in the USA to use turnover as a strategic asset instead of a challenge.

Multinational enterprises need to ask themselves how much autonomy to give the facility in the foreign country. Even if the organizations want to replicate their strategies it can be impossible with some regulatory policies. First, there are legal rules that must be adhered to and then firms can consider about the culture of the new workplace. For example, Netflix aligns its foreign operations to foster the values and goals of the main headquarter, however, it also provides some autonomy and freedom. On the other hand, Rossmann in the polish market is created to address and respond to needs of that market, however, as the HR director said, in countries where the company has a small reach, the culture and strategies of the German or Polish Rossmann are copied. Toyota has adapted its approach over time. While Toyota used to standardize international human resources according to their headquarters, it has now adapted to have a more autonomous department of human resources per foreign region of operation. These departments are able to more appropriately adapt the measures to the effectiveness in the culture. This however is still strongly guided by the values of the home country of Japan. Through exchange programs, cultural understanding is formed, which makes managers able to combine the best aspects of the home and host culture, both within the foreign and the Japanese operations.

In addition to the country culture, organizational culture has a strong influence on the operation and human resource practices. While it may be influenced by the home country culture, companies generally develop their own individual organizational culture. This can influence employee satisfaction and employee retention strongly. Organizational cultures such as in Amazon are rather fast-paced and individual results are valued rather than the creation of a sense of belonging and common goals. In contrast, companies may foster a sense of community inside their organizational culture. Aspects of this are common goals, building a community with bonds between employees and development inside the firm.

Toyota, as an example of this, structures its culture with the main goal of continuous improvement. This requires an organizational culture that enables a comfortable work environment and development opportunities, which makes employees want to contribute to the company's success long-term. While in this case the organizational culture is not extracting the maximum short-term efficiency, it increases the employee retention and long-term their commitment to the company's success.

## 5. Discussion

In this chapter, the researchers synthesize information from case studies and interviews with theoretical frameworks outlined in the literature, with the goal of explaining the dynamics of employee retention strategies in multinational corporations. Firstly, the observations will be compared with established theories, then it will be a switch to trends that were identified in the literature review chapter. Additionally, there will be a comparison of two similar papers in order to enrich the outcomes and understanding of employee retention strategies in multinational corporations. Additionally, this chapter will also include a new theoretical framework, created by researchers, based on the findings from the literature review, case studies as well as interviews.

### 5.1 Findings VS Literature Review

Human resource management efforts will impact the overall employee satisfaction towards the firm influencing retention. By looking at the cases, the firm's retention number is adequate to their efforts. As Amazon does not take care of its employees, their needs and preferences, the turnover rate is high and therefore they have to spend more on recruiting, training, and skills development for new hires. The opposite can be observed in companies where retention is high, and the work culture is positive as well as satisfying. In international settings HRM needs to consider diversities based on legal, economic and cultural institutions. All of the MNCs need to obey the law, however, the culture and other practices can be copied as in the home country or the new market gets its own HR department with a spectrum of autonomy. The autonomy can be bigger or lower depending on the firm's needs and its presence on the market. As for example, Rossmann gained huge autonomy thanks to big presence on the market and an unique culture of Poles, however, Rossmann in Spain or Macedonia are smaller and considered more like a startups, where the culture and strategies are copied from the big/leading ones (Germany, Poland, Czech Republic and Hungary).

Barney (1991) in his study emphasizes that “firms can gain sustained competitive advantage by creating value that is rare and difficult to imitate”. Employees and unique human resource strategies can leverage long-term success. However, as for Amazon, other competitive advantages were found and even with poor retention and rapid employee turnover, it remains high in popularity and has strong profits. As Phillips & Connell (2003) describe, high retention is favorable for most jobs, but not all of them. If a firm is focusing on other aspects



like efficiency and fast work, then the priorities will be shifted. In addition, turnover might be beneficial for some. Dismissing employees that do not fit to organizational values and align with its culture and goals is seen as a positive action. The “Keeper test” that is used by Netflix helps the organization to keep only the best workers, that in addition can fit well in the company's environment.

By the usage of the cases and analysis presented, the applicability of the established theories of motivation and engagement can be investigated. Human needs have been established as a basis of motivation. Basic needs are generally met by the salary that is provided to employees. However, there is a contrary approach that can be seen between Toyota and Amazon. Toyota puts great emphasis on creating a safe and comfortable work environment that satisfies their employees' needs for security. Amazon, however, partly takes advantage of their employees' basic needs. Since the employees depend on the job and salary provided by Amazon to fulfill their basic needs, many employees consider the need for self-actualization and self-esteem to be of lower priority. Thus, the work environment and job satisfaction does not need to be as high for employees to be willing to work for the company. However, long-term this approach will lead to employees burning out quicker and thus will lead to low retention, as shown by Amazon.

Furthermore, the need for achievement, affiliation and power are part of motivation, as stated by McClelland and Burnham (2008). There are various ways to fulfill the need for achievement. It can be through development and promotion of employees such as in Pakistan International Airlines and Toyota, or it can be financial rewards such as at EnBW or Rossmann. Financial rewards, however, only grant short-term sense of achievement, while career advancements last longer as a motivating effect. The social need for affiliation is an additional aspect that is important for individuals and can be used to increase loyalty and engagement. Toyota and Netflix attempt to create a sense of culture and community that makes the employees feel affiliated with the community within the company. An additional method can be the creation of a positive external brand image, that employees will have a desire to affiliate with. The need for power took a smaller priority within the case studies. Power can come through promotion and status, which is a tool that was not directly used by the analyzed companies to increase motivation and retention, even considering the status-and success-focused cultures of Germany or Poland. The factor of reward has been in accordance with the literature. Financial rewards do not provide a strong impact on employee

engagement and performance, as was confirmed by EnBW. Financially, fairness between individual employees is the main aspect from the literature. In EnBW this is managed through collective bargaining agreements that are adapted to different countries. This set guidelines that justify and equalize the salary of each employee.

The theories of VRIN resources as human resources according to the resource-based view and the knowledge-based view can be applied to explain the importance of employee retention in companies. Through time within the company, employees gain increased knowledge on the details of the industry and specific company operations. Many programs, that have been established as employee benefits, are personal development programs, as can be seen in Pakistan International Airlines, Rossman or EnBW. This both increases the employee satisfaction and increases the knowledge that is kept inside the firm, especially since they can be developed towards specific fields of knowledge. Employees thus develop themselves into VRIN resources, which can fundamentally not be replaced by new hires to the same extent. Retention of these employees is of significant importance, since they can provide increased value to the firm. However, firms may put different value on employees with developed knowledge. Amazon focuses on new hires, especially for high level positions, instead of developing existing staff. Highly developed employees that are inimitable provide much value to the firm but may develop higher expectations for their salary and make themselves harder to replace through increased leverage in negotiation. At EnBW salary is based on the responsibility, qualifications and years of experience in the firm. Employing recently graduated employees thus leads to less cost per individual employee. In addition, tasks can be structured in accordance with their level of knowledge and can therefore be replaced more easily, if they get overwhelmed with tasks as in Amazon. To gain a cost advantage, an optimization of transaction costs within recruitment of new hires is fundamental, which heavily depends on the normative environment of the country in terms of the ease of firing employees and the bureaucratic process of hiring new employees.

As analyzed, multinational companies need to adapt their approaches to the cultures that they are active in. Local factors and institutions such as the general engagement of employees, the regulative framework, expectations of work and salary, or sense of achievement must be considered. The main difference seen in the analyzed companies is the difference between collectivist cultures such as Japan and Pakistan, compared to individualistic cultures such as the USA and Germany. In collectivist cultures the employees want to contribute to the

common success and are very focused on a sense of community and personal development towards the achievement of common goals, which must be enabled by human resources for the employees to feel satisfied and a sense of contribution. Employees in Individualistic cultures require more personal benefits to be engaged in their positions. This can mean more trust and personal freedom, or performance-based benefits like at Netflix and EnBW. However, personal career development is important in both cultures. The reasoning may vary between contributing more to the collective society and advancing the skills towards their personal career goals. Furthermore, the cultures are combined by employees striving for a sense of belonging and community. In collectivist cultures, employees desire to build a community within the firm and work towards a common goal, which companies like Toyota actively enable. In individualistic cultures, employees put more emphasis on the external brand image of their firm and thus want a connection to the firm and community within, that provides them with a sense of pride. Overall, companies need to adapt their approaches to the expectations in each culture and cannot fully standardize their human resources effectively. A balance must be found between establishing approaches that have been found to be effective in their home country and adapting to local requirements and institutions.

Moreover, communication as a tool to boost employee retention also can be noticed in organizational strategies of Netflix and Rossmann. Supportive communication, open dialog and collection of feedback all positively influence the environment and culture of the workforce. Herbert (2023) wrote that responding to workers' concerns and needs will increase the employee's satisfaction and show that their voices really do matter. As Rossmann HR director said in the interview people want to be heard and if their needs are answered they will feel valued and want to stay in the organizational environment for a longer period. Similarly, job embeddedness is about strong commitment, attachment and loyalty towards the firm, therefore communication and a positive work environment will form a sense of belongingness and a social identity with the organization. In addition, well-being will also influence the employee's feelings towards the firm. Companies like Amazon are attributed with high stress and insufficient support for employee well-being. Conversely, organizations like Toyota, Rossmann, and Netflix prioritize proactive well-being initiatives and supportive work environments to mitigate stress levels and increase employee retention by fostering a sense of job embeddedness. The correlation between performance and pressure needs to be balanced in order to overcome high stress, anxiety, boredom and overall unhappiness.

The findings from the analysis fit well to the information provided by the literature review. However, slight deviations are present. Firstly, in the literature standardization of global operations was described as a strategic human resource management tool to minimize cost and thus maximize global efficiency. The cases showed that full standardization is not applicable. Normative institutions, workers' rights and management structures provide different frameworks in each location of the firm. While companies such as Toyota base their foreign operations strongly on the way their headquarter operates, full standardization is not possible. In addition, the literature described shifts due to Covid and due to changing expectations of employees. The stated high prioritization of meaningful work could not be found as a major aspect of employee satisfaction. While the brand employees work for and the specific task they have to complete are relevant, the meaning of their work was not found to be of priority. Furthermore, the literature implied that team performance and social satisfaction will be lower due to remote work and digitalization. This was not found to be true, since many employees value working from home very highly and companies such as Netflix and EnBW enable their employees as much freedom as required in this regard, without noticeable loss in productivity.

## **5.2 Findings VS Trends**

The trends identified in the literature review are as follows: impact of Covid-19, industry 4.0 & 5.0, employee lifestyle and behaviors, and generational preferences. These trends represent critical factors shaping the modern human resources management landscape, particularly in the context of employee retention strategies adopted by multinational corporations. By examining and comparing real-life case studies and data gathered from interviews across diverse industries, we can gain insights into how these trends manifest in practice and how organizations navigate them to optimize employee retention. To respond to the evolving dynamics of employee retention in the face of global trends and an ever-changing environment, theoretical frameworks and knowledge need to have a practical application.

The transition towards industry 4.0 and 5.0 technologies has influenced employee retention strategies by emphasizing the importance of digital skills development that is continuous learning as well as automation. Each company from the findings chapter shows their efforts into investing time and money into digitalization and flexibility towards it. For example, EnBW's emphasis on improving intelligent infrastructure and digital processes undermines the role of technology in enhancing employee productivity and satisfaction, while Amazon's

focus on cloud infrastructure services reflects the growing demand for digital solutions in the marketplace. On the other hand, Toyota introduced automation for demanding tasks and leverage innovation into opportunity as well as creating efficiency and effectively working with easier, less demanding jobs. Netflix is a leader in the streaming industry by leveraging technology not only to deliver content but also to enhance its internal operations. The company investments in technology give employees better tools to thrive and it ultimately contributes to higher levels of employee engagement and retention. Furthermore, as written in literature review “HRM jobs should be to go along with digitalization and encourage employees to adapt technology and decrease the distrust towards it” (Erro-Garcés & Aramendia-Muneta, 2023). The Rossmann HR director summed up in the interview that younger generations can teach the older cohorts how to use technology more efficiently, however, they need to agree and want to try it.

As presented in literature review, the Covid-19 pandemic impacted the working landscape by putting pressure on adaptation to technology and working online. Companies like EnBW, Netflix and Rossmann are still making it possible to work fully remotely or on a hybrid mode. However, EnBW put an emphasis on flexibility in the location of work, even another country, where Rossmann noticed that for their industry it is impossible to go fully remotely and flexibility is only possible in some departments in the office work scenarios. Furthermore, the pandemic changed the preferences of employees and nowadays firms need to change for example their benefits options like online classes or give more flexibility to their employees. As stated in the literature review chapter “for maximum productivity, human resource management needs to find a balance between the theoretically most optimal collaboration setting and maximum employee satisfaction and wellbeing”. That is a crucial step to make the employees happy while still staying efficient and not disturb collaboration between workers.

Changes in employee lifestyle and behaviors, such as a greater emphasis on work-life balance and well-being, are driving multinational companies to adopt more holistic retention strategies. We can notice it in all firms from case studies and interviews that have good retention statistics. They put increasing attention to their employee’s needs, mental health, safety, work-life balance and support a healthy work environment. Netflix’s emphasis on company culture and open communication resonates with the preferences of modern employees for a supportive and inclusive work environment. Moreover, the firm gives access

to data about diversity and compares the earnings for different sexes to fight for equality. In Rossmann, the emphasis is on well-being initiatives and benefits programs that answer many needs of its workforce creating growing retention with happy and healthy employees. As presented in a literature review, “the survey from Forbes Advisor found that 62% of firms have changed their benefit offerings in the past year in order to keep employees satisfied. It was influenced by other statistics that show that 40% of employers say workers leave their positions to find roles with better benefit offers (Miranda, 2023)”. The adaptation and ability to listen to what the employees are communicating is crucial to retain the workers. Similarly, Toyota focuses on mental well-being as well with a big emphasis on safety.

The preferences of different cohorts in the workforce are also shaping the retention strategies of MNCs. Companies like Rossmann, Toyota and EnBW embrace the multi-generational workforce and adapt their approaches accordingly. Rossmann values the possible exchange of knowledge and ability to influence a better work-life balance by showing the young generations preferences and abilities to cut off work life from home life. In addition, they propose a variety of benefits that will fit people with different backgrounds, priorities and that are on different life stages. On the other hand, Toyota's focus on career development and standardized evaluation processes reflects an understanding of the diverse needs and expectations of its workforce across generations.

In conclusion, the findings from the different companies align with the trends identified in the literature review, highlighting the importance of flexibility, digitalization & use of newer technology, employee well-being, and multi-generational workforce management in driving effective retention strategies in today's dynamic business environment. However, the information from interviews also showed that there are new factors rising such as population changes and a 4-day week, which shows that the factors might be changing faster than we think and that international companies always need to pay attention to new possibilities of adaptation.

### **5.3 Similar Studies**

The following chapter will compare the results of the previously conducted analysis and discussion to studies of other authors. Because of their characteristics the studies were not implementable as a source of literature in this research. The first study by Reiche (2008) investigated employee retention in multinational corporations. Due to the age of the study, it



was not used as a source for this paper, however due to its similarity to this research a comparison of the results can lead to a better understanding of employee retention and changes of trends over time. The second paper used for comparison was written by Vidyasagar and Jayavardhan (2015), who provided case studies of mainly Indian companies to demonstrate important aspects for retention.

### 5.3.1 International Employee Retention by Reiche (2008)

For his study, Reiche researched employee retention in multinational corporations. The focus of the study is the influence that home and host cultures have on the retention strategy and if or how adaptations must be made in the human resource approach. Similarly to this paper, Reiche first distinguishes factors of employee retention and clustered them into categories. While this paper separates individual and collective factors, which are further separated into intrinsic, work environment, strategy, and outside influence, Reiche displays the factors in a matrix. Variables are responsive versus preventive nature and relational versus transactional working contracts.

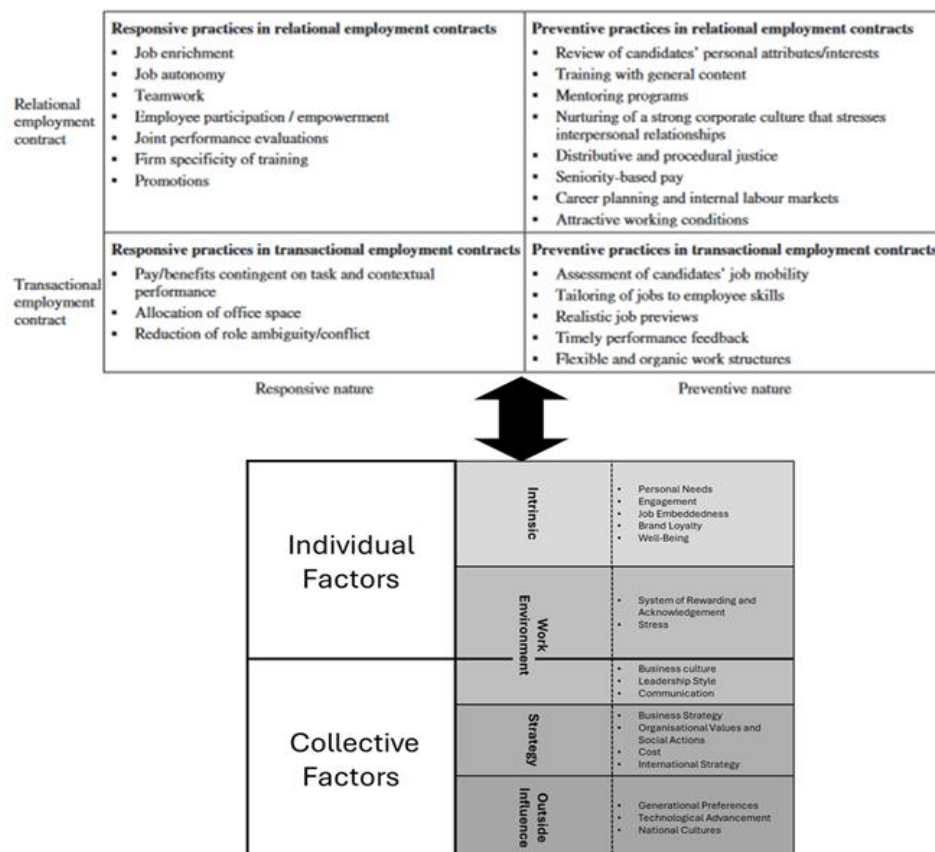


Figure 9: Retention Factors of Reiche (2008) Compared to Chapter 3 Findings

In the matrix approach, the main dimensions are whether the factors are to be effective short term versus long term, in connection to the contract specifying broad benefits or monetized and quickly applicable benefits. In comparison this display of retention factors provides a more strategic approach, tailored towards company strategizing.

The main cultures Reiche investigates are the USA, Germany, and Japan. Similar to the findings of the case studies in chapter 4, he found Germany and Japan to focus on more relational and preventive approaches, which means long term development, participation and commitment of the firm. This is seen in the cases of EnBW and Toyota as well, where the retention of employees and the buildup of long-term knowledge is of high priority. In contrast, Reiche's findings of the USA show a short-term approach, in which pay-for-performance schemes and rapid career advancements are the main priority. This fits to the findings of the Amazon case study, in which it was found that human resources focused on short-term productivity, while not considering long-term development as high priority. However, at Netflix, benefits are not mainly of monetary nature, but more tailored towards long-term benefits of well-being and trust in employees. This opposes the findings of Reiche about the USA business approach.

Reiche focuses strongly on subsidiary relationships. As has been established in this paper as well, local institutions are a main influence on the strategy planning and turnover rate of subsidiaries. In the case studies within chapter 4 of this paper, focus was laid on the influence of business culture and regulatory frameworks of countries, which investigate the expectations of employees and strategic options that companies have to use or reduce turnover. Reiche investigated institutions on a rather individual level. He found that language differences and cultural distance are a main challenge, since this hampers the creation of a common business culture, which is a basis for employees to feel comfortable and thus retain in the company.

In his conclusion Reiche states that the success of foreign subsidiaries depends strongly on institutional distance between the host country and home country, but that initially firms prefer to apply their home country approaches onto the host country subsidiary. He suggests that companies need to implement local management and adapt their business culture and corporate benefits to the local institutions, in order to ensure employee retention. Context based approaches should be combined with the corporate strategy.



All in all, the findings of Reiche are very similar to the findings of this study. He sets a high priority on local adaptation according to the present institutions, which was found in the case study of Toyota to be the more efficient approach. Furthermore, the case of Toyota shows that the company strongly values intercultural exchange between Japan and the subsidiaries, which fits the notion of Reiche, that companies generally apply their established business culture to their subsidiaries without granting full autonomy in the establishment of business culture. Differences between this study and the findings of Reicher are found in the factors of retention. Reiche established clear differences between collectivist and individualist, as well as more and less masculine cultures. He assesses that individualist and masculine cultures focus strongly on short-term and monetary benefits, while neglecting long-term consideration and non-monetary benefits such as maternity-leave and child-care. Potentially, this has changed since the publishing in Reiche's study. The companies of Rossmann, EnBW and Netflix, analyzed in chapter 4, have been found to focus strongly on benefits that grant more freedom and well-being to employees, instead of monetary reward schemes. The findings of Reiche thus are mostly in accordance with the findings of the present study, with slight changes that may have changed in the 16 years that lay between the studies.

### **5.3.2 International Employee Retention by Vidyasagar & Jayavardhan (2015)**

Vidyasagar and Jayavardhan (2015) have researched the factors that influence employee retention, with the use of case studies of mainly Indian companies. The study focuses primarily on specific expectations that employees of the analyzed companies have, which will lead to the employees feeling satisfied and thus retain within the company. In contrast to this present study, they have not only focused on factors supporting retention but have in addition researched factors that lead to turnover. The main factors are no growth opportunity, lack of appreciation and trust, stress, compensation, new job offers and difference in job expectations. Some of these factors have been implemented into this present study, as relevant for retention, with a difference in how the factors are formulated. The major fields that they consider relevant towards retention in their study are compensation, environment, growth, relationship and support. In accordance with the present study, Vidyasagar and Jayavardhan have found newer trends in employee retention approaches are moving towards non-monetary benefits such as gym memberships, family friendly policies, or employee wellbeing. This leads to the same direction as found in this study, that monetary rewards are not the priority, but the creation of engagement through comfort of employees.

While most of the companies in their study are located in India, they have investigated different sectors that can be compared to the companies in this present study. Comparing NTCP, analyzed by Vidyasagar and Jayavardhan to EnBW from this study, which are both companies in the energy sector, similarities can be seen. Employees of both companies have a strong desire for learning and growth, which could potentially be attributed to the innovativeness and changes within the industry. However, the Indian company focuses more on performance orientation and rewarding compared to the German company. In addition, they included a company of natural resources, which could be compared to EnBW, which is additionally demonstrated in the similarity that employees of both companies want to have a strong external brand image. Furthermore, Vidyasagar and Jayavardhan have included companies of the manufacturing sector that can be compared to Toyota from this present study. Notable differences that were found in the Indian firms is greater desire for performance recognition and transparency in governance. However, what differentiates the manufacturing companies from the other industries analyzed in their paper, are global opportunity and a caring organization. This is in accordance with the findings for Toyota. While a caring organization has been found to be important for other industries like seen in Netflix as well, global opportunities is a factor that was only present as a major factor in the case study of Toyota. The study of Vidyasagar and Jayavardhan additionally included the American company Johnson & Johnson. Based on the factors presented, the American company is the only company in the study, where employees express desire for freedom, respect and trust. The same factors were found within Netflix in this case study, which leads to the assumption that these factors are not based on the industry but rather based on the country's culture.

All in all, comparing the study of Vidyasagar and Jayavardhan to this present study, many similarities can be found. Especially comparing different industries, it is demonstrated that within different cultures, employees of the same industry have similar desires. However, this industry factor gets mixed with the culture factor that was mainly India in their study. The main difference between the studies is the monetary aspect. The analysis of Vidyasagar and Jayavardhan included several financial factors that were often performance related as well. This could not be seen within the case studies of this present study. The reasons for that could be on one hand national differences between Indian culture and the cultures analyzed, but on the other hand could also be based on the study being from the year 2015, when employees may have had different priorities.

## 5.4 Bednarczuk & Wohlfarth Theory

There is no theory that corresponds to the modern international employee retention strategy that addresses issues of adapting to the foreign market, dynamic market environment, and is placed for a long-term retention approach. Bednarczuk & Wohlfarth theory emphasize the importance of continuous assessment, adaptation, and improvement, based on the new trends and changing environments. By applying this cyclical model, international companies can foster a culture of innovation, agility, and responsiveness, striving to maximize the potential for organizational success in the global marketplace. The theory is called the cycle of international employee retention strategy and is divided into four steps.

- I. Consideration of Retention Strategy - This initial stage involves a comprehensive assessment of the current organizational landscape, including employee demographics, cultural dynamics, and market trends. Key considerations include identifying retention challenges and understanding employee needs and preferences. Additionally, the company must analyze whether employee retention is crucial or negligible for the organization. By conducting a thorough analysis at this stage, organizations may have a foundation for developing a retention strategy suitable for them.
- II. Adaptation VS Imposition of Strategy - At this stage, organizations should focus on whether to adapt existing host country retention strategies to align with organizational culture and employee preferences for a new country or to impose standardized strategies across diverse contexts. Autonomy can create more flexibility and answer employees' expectations and needs in a particular country; however, it is costly and organizational values and global efficiency may be lost on the way. Therefore, the key lies in balancing global consistency and local adaptation.
- III. Planning and Implementation of Retention Strategy - With a clear understanding of organizational goals and needs as well as employee preferences, organizations can proceed to the planning and implementation phase of their retention strategy. This step involves setting strategic objectives, defining actionable steps and allocating resources effectively. Organizations can boost their employee engagement and long-term retention by compensation, work culture, growth opportunities, innovative

benefits programs, and support. Moreover, the firms may use the table of factors to notice different variations and create the best retention strategy for them.

Individual Factors	Intrinsic	<ul style="list-style-type: none"> <li>• Personal Needs</li> <li>• Engagement</li> <li>• Job Embeddedness</li> <li>• Brand Loyalty</li> <li>• Well-Being</li> </ul>
	Work Environment	<ul style="list-style-type: none"> <li>• System of Rewarding and Acknowledgement</li> <li>• Stress</li> </ul>
Collective Factors	Strategy	<ul style="list-style-type: none"> <li>• Business culture</li> <li>• Leadership Style</li> <li>• Communication</li> </ul>
	Outside Influence	<ul style="list-style-type: none"> <li>• Business Strategy</li> <li>• Organisational Values and Social Actions</li> <li>• Cost</li> <li>• International Strategy</li> </ul>
		<ul style="list-style-type: none"> <li>• Generational Preferences</li> <li>• Technological Advancement</li> <li>• National Cultures</li> </ul>

Figure 10: Summary of Factors Influencing Employee Retention (own creation)

- IV. Gather and Analyze Feedback and Market Trends - The final stage of this circular theory entails the continuous gathering and analysis of feedback and market trends in order to improve and not miss on any new global trend and possible opportunity. By leveraging data-driven insights from employee surveys, performance evaluations, and market analysis, organizations can adapt their retention strategies in real-time ensuring relevance and effectiveness in an ever-changing landscape.

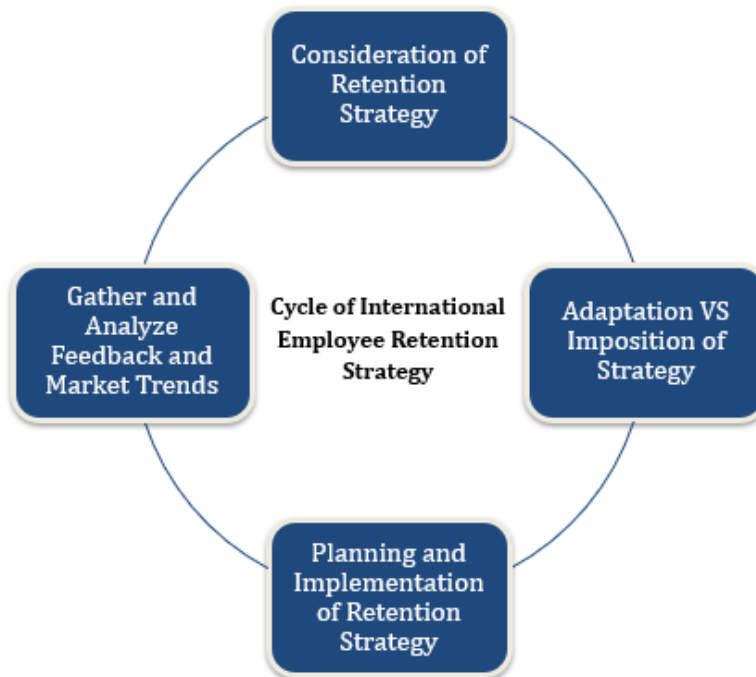


Figure 11: Cycle of International Employee Retention Strategy (own creation)

This theory is suitable for all multinational companies regardless of their industry. We wanted to create something that would be useful to every HR manager and would help in this complicated undertaking - retaining employees for a longer period of time. The biggest key to a good strategy is constant analysis and adaptation. The company can change its goals for example from an organization that is focused on short-term successes and pressure to be as effective and efficient as possible, to a company that values its employees and no longer desires such high turnover. Similarly, the environment of the foreign market may change. The relevance of the market might increase substantially and with more power there might be a need for increased autonomy. Employees' needs and preferences as well as market trends change continuously, therefore this framework is presented as a circle without an ending point, because the process of international employee retention strategizing never ends.

## 6. Conclusion

In this concluding chapter, there will be the summary of the study, which aimed to explore the recent trends in employee retention strategies in international companies. Additionally, the limitations of the study and opportunities for future research will be presented.

### 6.1 Summary

In conclusion, this study has illuminated the multifaceted landscape of employee retention strategies in multinational enterprises, highlighting the key roles of human resource management practices, cultural adaptation, as well as emerging global trends. By analyzing actions from diverse MNCs through case studies and getting insights from interviews, we as researchers have gained an understanding of the factors influencing employee engagement and long-term organizational success. The analysis of real-life MNCs, including Netflix, Amazon, Pakistan International Airlines, Toyota, Rossmann, and EnBW, has emphasized the critical connection between employee satisfaction, motivation, and organizational performance. The main intake from the study is that companies which prioritize employee well-being, career development, and a supportive work culture have demonstrated higher levels of retention and job satisfaction, illustrating the importance of aligning IHRM practices with organizational objectives and employee needs.

Furthermore, examining current global trends such as the impact of Covid-19, industry 4.0 and 5.0, evolving employee lifestyles & behaviors, and generational preferences provided valuable insights into the dynamic nature of employee retention strategies, where MNCs need to keep up and change their actions to meet new trends. However, sometimes companies can use them as an opportunity and leverage new advancements as a positive change. The shift towards digitalization and using newer and newer technological innovations has changed the dynamics of the workforce, emphasizing the importance of continuous learning, automation and flexibility to adapt to changing market demands. Companies such as EnBW, Toyota, and Netflix have leveraged technology to increase employee productivity, satisfaction, and engagement.

It was found that the industry of the company and the cultures of the home and host country of an operation will have major effects on the strategy of employee retention. Adaptation to the country's culture is a basis for successful retention since each culture was found to have

different preferences in the work environment and the benefits the company can offer. Additionally, the industry the company operates in must be considered, since aspects such as the power of competitors, the ease of replacing staff or the flexibility of work, strongly influence the retention strategy. In international human resource strategy, it must be critically evaluated, what the value of employee retention is for the firm, which must then be aligned with the business strategy from the perspective of knowledge retention and cost-effectiveness.

This study's findings align closely with the identified trends presented in the literature review chapter. Moreover, it is shown that all theories and frameworks are still valid and there are not many discrepancies between older literature and the current finding. However, the researchers found a gap in the literature and intend to fill it by creating their own theory - Bednarczuk & Wolfarth theory; Cycle of International Employee Retention Strategy. The contribution of this study is to highlight that changing trends play a huge part in influencing the context of the operation and thus employee retention strategies. In addition, this paper will fill the gap within existing literature to help international companies create an excellent international employee retention strategy.

### **6.3 Limitations of The Study**

The study was limited by the information gathered through interviews and second-hand information gathered from the case studies. The researchers were hereby limited by the amount of information that has been able to be gathered from firsthand sources. Evaluation and conclusions were made based on the analyzed companies. Thus, cultural research was limited to the countries of Japan, Pakistan, Poland, Germany and the USA. In addition, there was only one company per industry, on the basis of which, analysis of the industry influence was made through generalizations. The analyzed firms were selected based on their exceptionally good or bad employee retention but were assumed to serve as an average of their industry and culture, in order to provide a basis for research on the impact of these influences.

### **6.4 Future Research**

Future research can be conducted towards more specific culture and industry focused analysis. Companies of the same industry and different cultures, as well as firms of the same culture and different industries, may be compared in their retention strategy, in order to

validate the information provided. Furthermore, the evolution of trends in employee retention measures and expectations may continuously be observed, especially regarding a future perspective on the influences of the Covid-19 pandemic on international human resource strategy.



## References

- Adamková, H. G. (2020). Industry 4.0 brings changes in human resources. In SHS Web of Conferences (Vol. 83, p. 01016). EDP Sciences.
- Adams, J. S. (1965). Inequity in social exchange. In L. Berkowitz (Ed.), *Advances in experimental social psychology* (Vol. 2, pp. 267-299). New York: Academic Press
- Ahammad, Mohammad Faisal; Tarba, Shlomo Yedidia; Liu, Yipeng; Glaister, Keith W. (2014). Knowledge transfer and cross-border acquisition performance: The impact of cultural distance and employee retention. *International Business Review*, (), S0969593114000912–. doi:10.1016/j.ibusrev.2014.06.015
- Ahmed, Mashal. (2018). Impact of Organizational Commitment on Employee Turnover: A Case Study of Pakistan International Airlines (PIA).
- Ajmal, A. , Bashir, M. , Abrar, M. , Mahroof Khan, M. and Saqib, S. (2015). The Effects of Intrinsic and Extrinsic Rewards on Employee Attitudes; Mediating Role of Perceived Organizational Support. *Journal of Service Science and Management*, 8, 461-470. doi: 10.4236/jssm.2015.84047.
- Alderfer, C. P. (1969). An empirical test of a new theory of human needs. *Organizational behavior and human performance*, 4(2), 142-175.
- Allen, D. G. and Vardaman, J. M. (2017). Recruitment and Retention Across Cultures. *Annual Review of Organizational Psychology and Organizational Behavior*, Vol. 4:153-181
- Amazon. (2024). 2023 Annual Report
- Ameland S., Bieler F. (2018). Germany's largest utilities at a glance. [online] available at <<https://www.cleanenergywire.org/factsheets/germanys-largest-utilities-glance>> [26.04.2024]
- Andrade C. (2018). Internal, External, and Ecological Validity in Research Design, Conduct, and Evaluation. *Indian J Psychol Med.* 2018 Sep-Oct;40(5):498-499. doi: 10.4103/IJPSYM.IJPSYM\_334\_18. PMID: 30275631; PMCID: PMC6149308.
- Anisimova, T. and Mavondo, F.T. (2010). "The performance implications of company-salesperson corporate brand misalignment", *European Journal of Marketing*, Vol. 44 No. 6, pp.771-795.
- Barney, J. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*, 17 (1), 99-120.

- Bartlett, Christopher & Ghoshal, Sumantra. (2003). What Is a Global Manager?. *Harvard business review*. 81. 101-8, 141.
- Baumann, L.C., Ylinen, A. (2020). Prevention: Primary, Secondary, Tertiary. In: Gellman, M.D. (eds) *Encyclopedia of Behavioral Medicine*. Springer, Cham. [https://doi.org/10.1007/978-3-030-39903-0\\_135](https://doi.org/10.1007/978-3-030-39903-0_135)
- Beach, R., Brereton D., Cliff, D. (2003). *Workforce Turnover in FIFO Mining Operations in Australia: An Exploratory Study*. Centre for Social Responsibility in Mining, Sustainable Minerals Institute, University of Queensland
- Bell, R.L. & Martin, J. (2014). *Managerial Communication* (First ed.). (D. D. DuFrene, Ed.) New York, NY: Business Expert Press, LLC.
- Benito, Gabriel R.G.; Rygh, Asmund; Lunnan, Randi. (2016). The benefits of internationalization for state-owned enterprises. *Global Strategy Journal*. doi:10.1002/gsj.1138
- Blessing White. (2013). *Employee engagement research update January 2013, Beyond numbers: A practical approach for individuals, managers and executives* .
- Brewster, C., Houldsworth, E., Sparrow, P., & Vernon, G. (2016). *International human resource management*. Kogan Page Publishers.
- Brower, T. (2022). What The Generations Want From Work: New Data Offers Surprises [online] available at <<https://www.forbes.com/sites/tracybrower/2022/08/28/what-the-generations-want-from-work-new-data-offers-surprises/?sh=3ce62c3f3f32>> [20.03.2024]
- Cahuc P., Jäger S., Vejlin R. (2022) *Turnover Costs: Evidence from Unexpected Worker Separations*. Antoine Bertheau (Job Market Paper)
- Cerasoli CP, Nicklin JM, Ford MT (2014). Intrinsic motivation and extrinsic incentives jointly predict performance: a 40-year meta-analysis. *Psychol Bull* 140(4):980–1008. doi:10.1037/a0035661
- Chakrabarti, R., Gupta-Mukherjee, S., & Jayaraman, N. (2009). Mars–Venus marriages: Culture and cross-border M&A. *Journal of International Business Studies*, 40, 216–236.
- Charles Sturt University. (2024). *Literature Review: Developing a search strategy* [online] available at <[https://libguides.csu.edu.au/review/Search\\_Strategies](https://libguides.csu.edu.au/review/Search_Strategies)>

- Chen G, Kirkman BL, Kim K, Farh CIC, Tangirala S. (2010). When does cross-cultural motivation enhance expatriate effectiveness? A multilevel investigation of the moderating roles of subsidiary support and cultural distance. *Acad. Manag. J.* 53:1110–30
- Chen, H. (2021). International Perspectives on Employee Retention. *Global Business and Management Research*.
- Chen, Tian. (2023). An Analysis of Amazon’s High Turnover Rate. *Proceedings of Business and Economic Studies*. 6. 31-38. 10.26689/pbes.v6i3.5096.
- Chen, Y., Gong, Z. (2024). The Impact of COVID-19 on the Aviation Industry: Event Study on U.S. Passenger Airline Stocks. In: Li, X., Yuan, C., Kent, J. (eds) *Proceedings of the 7th International Conference on Economic Management and Green Development. ICEMGD 2023. Applied Economics and Policy Studies*. Springer, Singapore. [https://doi-org.zorac.aub.aau.dk/10.1007/978-981-97-0523-8\\_71](https://doi-org.zorac.aub.aau.dk/10.1007/978-981-97-0523-8_71)
- Cloutier, O. et al. (2015). The Importance of Developing Strategies for Employee Retention. *Journal of Leadership, Accountability and Ethics*. 12 (2), 119-.
- Comparably. (2024). Netflix - Retention [online] available at <https://www.comparably.com/companies/netflix> [23.04.2024]
- Cooke, M. (2022). Understanding How To Improve Talent Retention (Strategy Brief) [online] available at <https://brandonhall.com/understanding-how-to-improve-talent-retention-strategy-brief/> [08.03.2024]
- Crail, C. (2023). 15 Effective Employee Retention Strategies In 2024 [online] available at <https://brandonhall.com/understanding-how-to-improve-talent-retention-strategy-brief/> [08.03.2024]
- da Silva, L. B. P. et al. (2022). Human resources management 4.0: Literature review and trends. *Computers & industrial engineering*. [Online] 168108111-
- Dechawatanapaisal, D., Cornelius, N., & Garavan, T., (2018). Employee retention: the effects of internal branding and brand attitudes in sales organizations. *Personnel Review*, (), 00–00. doi:10.1108/PR-06-2017-0193
- Dessler, G. (2024). *Human resource management*. Seventeenth edition. Global edition. Harrow, UK: Pearson.

- Dwesini Nombeko Felicity. (2019). Causes and prevention of high employee turnover within the hospitality industry: A literature review
- Eason, CJ. (2024). Your Company Needs To Be Employee-Focused In 2024 [online] available at <<https://www.forbes.com/sites/forbeshumanresourcescouncil/2024/01/17/your-company-needs-to-be-employee-focused-in-2024/?sh=662bb50622d1>> [18.03.2024]
- Ellis Avery. (2022). Exclusive: Amazon's attrition costs \$8 billion annually according to leaked documents. And it gets worse. [online] available at <https://www.engadget.com/amazon-attrition-leadership-ctsmd-201800110-201800100.html> [24.04.2024]
- EnBW. (2023). Integrierter Geschäftsbericht 2022
- Erro-Garcés, A. & Aramendia-Muneta, M. E. (2023). The role of human resource management practices on the results of digitalisation. From Industry 4.0 to Industry 5.0. Journal of organizational change management. [Online] 36 (4), 585–602.
- Fareri, S. et al. (2020). Estimating Industry 4.0 impact on job profiles and skills using text mining. Computers in industry. [Online] 118103222-.
- Folger, R. (1986). Rethinking Equity Theory. In: Bierhoff, H.W., Cohen, R.L., Greenberg, J. (eds) Justice in Social Relations. Critical Issues in Social Justice. Springer, Boston, MA. [https://doi.org/10.1007/978-1-4684-5059-0\\_8](https://doi.org/10.1007/978-1-4684-5059-0_8)
- Fulton, L. (2015). Worker representation in Europe. Labour Research Department and ETUI. Produced with the assistance of the SEEurope Network, online publication available at <http://www.worker-participation.eu/National-Industrial-Relations>.
- Gallup. (2022). Employee Engagement [online] available at <<https://www.gallup.com/394373/indicator-employee-engagement.aspx>> [08.03.2024]
- Gamota, D. (2020). How Covid-19 Is Driving The Evolution of Industry 5.0 [online] available at <<https://www.forbes.com/sites/forbestechcouncil/2021/12/28/how-covid-19-is-driving-the-evolution-of-industry-50/?sh=1cf8506c2062>> [17.03.2024]
- Gerhart, B., & Feng, J. (2021). The Resource-Based View of the Firm, Human Resources, and Human Capital: Progress and Prospects. Journal of Management, 47(7), 1796-1819. <https://doi.org/10.1177/0149206320978799>

- Ghafoor I. (2023). 24 Biggest Industries in the World in 2024. [online] available at  
<<https://finance.yahoo.com/news/24-biggest-industries-world-2024-224212189.html>>  
[09.05.2024]
- Gigauri, I. (2020). EFFECTS OF COVID-19 ON HUMAN RESOURCE MANAGEMENT FROM THE PERSPECTIVE OF DIGITALIZATION AND WORK-LIFE-BALANCE. *International Journal of Innovative Technologies in Economy*, (4(31).  
[https://doi.org/10.31435/rsglobal\\_ijite/30092020/7148](https://doi.org/10.31435/rsglobal_ijite/30092020/7148)
- Grohmann, O., Zeuch, M. (2016). Human Resources Strategy and Change: Essentials of Human Resources Strategy. In: Zeuch, M. (eds) *Handbook of Human Resources Management*. Springer, Berlin, Heidelberg. [https://doi.org/10.1007/978-3-662-44152-7\\_104](https://doi.org/10.1007/978-3-662-44152-7_104)
- Grünig, R., Kühn, R., Morschett, D. (2022). Formulating the Business Strategy. In: *The Strategy Planning Process*. Springer, Cham. [https://doi-org.zorac.aub.aau.dk/10.1007/978-3-030-93918-2\\_24](https://doi-org.zorac.aub.aau.dk/10.1007/978-3-030-93918-2_24)
- Grünig, Rudolf; Kühn, Richard (2018). The Strategy Planning Process || Developing the Functional Strategies. , 10.1007/978-3-662-56221-5(Chapter 21), 229–235. doi:10.1007/978-3-662-56221-5\_21
- Gyamerah, S., He, Z., Asante, D., Ampaw, E. M., & Gyamerah, E. E. D. (2022). Paternalistic leadership, employee creativity, and retention: The role of psychological empowerment. *International Journal of Cross Cultural Management*, 22(1), 83-104. <https://doi-org.zorac.aub.aau.dk/10.1177/14705958221081636>
- Haan, K., & Bottorff, C. (2023). *Employee Benefits In 2024: The Ultimate Guide* [online] available at  
<<https://www.forbes.com/advisor/business/employee-benefits/>> [18.03.2024]
- Hamilton K. (2023). *Delivery Drivers Sue Amazon For Being Forced To Pee In Bottles*. [online] available at <https://www.forbes.com/sites/katherinehamilton/2023/05/24/delivery-drivers-sue-amazon-for-being-forced-to-pee-in-bottles/?sh=5a756f4333a0>
- Harvard. (2024). *Mixed Methods Research* [online] available from <  
[https://catalyst.harvard.edu/community-engagement/mmr/hcat\\_mmr\\_sm-6090567e0f943-60905896c80af-60e5fdbc2399e-60e5fdd8057fc-610bf777da6a0-610bf7808de24-610bf792228a4-610bf8685d8f5-610bf871cbea9/](https://catalyst.harvard.edu/community-engagement/mmr/hcat_mmr_sm-6090567e0f943-60905896c80af-60e5fdbc2399e-60e5fdd8057fc-610bf777da6a0-610bf7808de24-610bf792228a4-610bf8685d8f5-610bf871cbea9/)> [23.05.2024]

- Herbert, TH. (2023). Improving Employee Retention In 2023 With A Positive Workplace Culture [online] available at <<https://www.forbes.com/sites/forbesbusinesscouncil/2023/03/08/improving-employee-retention-in-2023-with-a-positive-workplace-culture/?sh=54674ee43478>> [08.03.2024]
- Herzberg, F., Mausner, B., Synderman, B. (1959). *The Motivation to Work* (Second Edition). New York: John Wiley and Sons,
- Hoenen, A., Kostova, T. Utilizing the broader agency perspective for studying headquarters– subsidiary relations in multinational companies. *J Int Bus Stud* 46, 104–113 (2015).  
<https://doi.org/10.1057/jibs.2014.31>
- Hofstede Insights. (2024). Country comparison tool [online] available at <<https://www.hofstede-insights.com/country-comparison-tool>> [23.04.2024]
- Hofstede, G. (1980). *Culture’s Consequences*. New-York: Sage
- Hom, P. W. et al. (2020). *Employee retention and turnover : why employees stay or leave*. First edition. New York, NY: Routledge.
- Hopkins C. (2023). The History of Amazon and its Rise to Success [online] available at <https://sites.lsa.umich.edu/mje/2023/05/01/the-history-of-amazon-and-its-rise-to-success/> [23.04.2024]
- House, R.J. and Wigdor, L.A. (1967). Herzberg’s Dualfactor Theory of Job Satisfaction and Motivation: A Review of the Evidence and a Criticism. *Personnel Psychology*, 4, 369-390.  
<https://doi.org/10.1111/j.1744-6570.1967.tb02440.x>
- Huncar, A. (2024). Four generations in the workplace: new reality for employers comes with challenges [online] available at <<https://www.cbc.ca/news/canada/edmonton/multi-generational-boomers-gen-x-millennials-and-gen-z-edmonton-workplace-1.7063918>> [19.03.2024]
- Hussein F. (2023). As labor movements spread nationwide, White House highlights how administration is helping unions [online] available at <<https://www.pbs.org/newshour/politics/as-labor-movements-spread-nationwide-white-house-highlights-how-administration-is-helping-unions8>> [27.04.2024]
- IMD (2024). The 6 most common leadership styles & how to find yours [online] available at <<https://www.imd.org/reflections/leadership-styles/>> [08.03.2024]
- International Trade Administration. (2024). Japan - Country Commercial Guide [online] available at <<https://www.trade.gov/country-commercial-guides/japan-automotive/>> [09.05.2024]

- Jaworski, B. J. (2021). Netflix: Reinvention across multiple time periods [online] available at <<https://link-springer-com.zorac.aub.aau.dk/content/pdf/10.1007/s13162-021-00195-y>> [23.04.2024]
- Jebaraj K. (2024). Top 10 Cloud Computing Companies of 2024. [online] available at <https://www.knowledgehut.com/blog/cloud-computing/top-cloud-computing-companies> [24.04.2024]
- Johnson, R. B., Onwuegbuzie, A. J., de Waal, C., Stefurak, T., & Hildebrand, D. (2017). Unpacking pragmatism for mixed methods research. *The BERA/SAGE handbook of educational research*, 2, 259-279.
- Kaplan, J. (2023). Millennials are the reason you can still work remotely [online] available at <<https://www.businessinsider.com/work-from-home-boom-millennials-not-gen-z-boomers-2023-11>> [19.03.2024]
- Karen, & Kimsey-House, H. (2016). CO-ACTIVE LEADERSHIP: A NEW LEADERSHIP STORY. *Leader to leader*. [Online] 2016 (80), 38–42.
- Kelly, J. (2023). Can 5 Generations Coexist In The Workplace? [online] available at <<https://www.forbes.com/sites/jackkelly/2023/03/01/can-five-generations-coexist-in-the-workplace/?sh=2a46368a31f2>> [19.03.2024]
- Kempen R, Pangert B, Hattrup K, Mueller K, Joens I. (2015). Beyond conflict: the role of life-domain enrichment for expatriates. *Int. J. Hum. Resour. Manag.* 26(1):1–22
- Kentucky Cabinet for Economic Development. Gov. Beshear: Toyota Increasing Investment to \$1.3 Billion for Kentucky Battery Electric Vehicle Production. [online] available at <[https://ced.ky.gov/Newsroom/NewsPage/20240206\\_ToyotaBEVs](https://ced.ky.gov/Newsroom/NewsPage/20240206_ToyotaBEVs)> [08.05.2024]
- Khan S. (2023). Pakistan's airline near collapse, heading for privatization. *Deutsche Welle*
- Kimpakorn, N. and Tocquer, G. (2009). “Employees’ commitment to brands in the service sector: luxury hotel chains in Thailand”, *Journal of Brand Management*, Vol. 16 No. 8, pp. 532-544
- Kiradoo, G. (2022). Diversity, equity, and inclusion in the workplace: strategies for achieving and sustaining a diverse workforce. *Advance Research in Social Science and Management*, Edition, 1, 139-151.
- Kuuyelleh, E.N., Ayentimi, D.T., Ali Abadi, H. (2021). Green People Management, Internal Communications and Employee Engagement. In: Hinson, R.E., Adeola, O., Adisa, I. (eds) *Green*

Marketing and Management in Emerging Markets. Palgrave Studies of Marketing in Emerging Economies. Palgrave Macmillan, Cham. [https://doi-org.zorac.aub.aau.dk/10.1007/978-3-030-73007-9\\_10](https://doi-org.zorac.aub.aau.dk/10.1007/978-3-030-73007-9_10)

Lammers, John & Garcia, Mattea. (2017). Institutional Theory Approaches. 10.1002/9781118955567.wbieoc113.

Lewis, G., and Sorongon, J. (2022). Industries with the Highest (and Lowest) Turnover Rates [online] available at <<https://www.linkedin.com/business/talent/blog/talent-strategy/industries-with-the-highest-turnover-rates>> [21.04.2024]

Locke, E. A., & Latham, G. P. (2002). Building a practically useful theory of goal setting and task motivation: A 35-year odyssey. *American Psychologist*, 57(9), 705–717. <https://doi.org/10.1037/0003-066X.57.9.705>

Maslen R. (2017). Serene Air delivers modern strategy into Pakistan’s domestic skies. [online] available at <<https://aviationweek.com/air-transport/airports-networks/serene-air-delivers-modern-strategy-pakistans-domestic-skies>> [28.04.2024]

Maslow, A. H. (1943). A theory of human motivation. *Psychological Review*, 50(4), 370-96

Matuszak, J. (2022). Is Your Business Ready for Industry 5.0? [online] available at <<https://knowhow.distrelec.com/manufacturing/is-your-business-ready-for-industry-5-0/>> [17.03.2024]

McClelland DC, Burnham DH. (2008). Power is the great motivator. *Harvard business review classics*. Harvard Business Press, Boston

McClelland DC. (1976). *The achieving society*. Irvington Publishers, New York

McClelland DC. (1987). *Human motivation*. Cambridge University Press, Cambridge

Meister J. (2021). The Future Of Work Is Employee Well-Being [online] available at <<https://www.forbes.com/sites/jeannemeister/2021/08/04/the-future-of-work-is-worker-well-being/?sh=67d029a84aed>> [17.03.2024]

Michael Minkov, Anneli Kaasa, Do dimensions of culture exist objectively? A validation of the revised Minkov-Hofstede model of culture with World Values Survey items and scores for 102 countries, *Journal of International Management*, Volume 28, Issue 4, 2022, 100971, ISSN 1075-4253, <https://doi.org/10.1016/j.intman.2022.100971>.



- Milanesi, C. (2023). The Business Impact Of Diversity, Equity And Inclusion [online] available at <<https://www.forbes.com/sites/carolinamilanesi/2023/04/20/the-business-impact-of-diversity-equity-and-inclusion/?sh=6f868c606630>> [18.03.2024]
- Miranda, D. (2023). Best Employee Benefits In 2024 [online] available at <<https://www.forbes.com/advisor/business/best-employee-benefits/>> [18.03.2024]
- Mukhtar A. (2023). Corporate culture in Pakistan [online] available at <<https://tribune.com.pk/story/2291951/corporate-culture-in-pakistan>> [21.04.2024]
- Nawaz N. Jahanian A, Tehreem S. (2012). Determinants of Employee Retention in Pakistan International Airlines (PIA), European Journal of Business and Management ISSN 2222-1905 (Paper) ISSN 2222-2839 Vol 4, No.7, 2012
- Netflix. (2022a). ESG Report 2022 [online] available at <[https://s22.q4cdn.com/959853165/files/doc\\_downloads/2023/06/29/Netflix\\_2022-ESG-Report-FINAL.pdf](https://s22.q4cdn.com/959853165/files/doc_downloads/2023/06/29/Netflix_2022-ESG-Report-FINAL.pdf)> [23.04.2024]
- Netflix. (2022b). 2022 Inclusion Report Update [online] available at <<https://about.netflix.com/en/news/2022-inclusion-report-update>> [23.04.2024]
- Netflix. (2024a). Netflix Culture - Seeking Excellence [online] available at <<https://jobs.netflix.com/culture>> [22.04.2024]
- Netflix. (2024b). Locations Across the Globe [online] available at <<https://jobs.netflix.com/locations>> [04.05.2024]
- NLRB. (2024). Employer/Union Rights and Obligations. [online] available at <<https://www.nlr.gov/about-nlr/rights-we-protect/your-rights/employer-union-rights-and-obligations>> [27.04.2024]
- Padenau, A. (2024). Toyota Is Still The Biggest Car Company In The World. [online] available at <<https://www.motor1.com/news/706562/toyota-record-sales-2023/>> [08.05.2024]
- Pakistan International Airlines. (2011). PIA Annual Report 2010
- Pakistan International Airlines. (2023). PIA Annual Report 2022
- Pakistan International Airlines. History. [online] available at <https://www.piac.com.pk/corporate/about-us/history> [20.05.2024]

- Parry, E., & Battista, V. (2019). The impact of emerging technologies on work: a review of the evidence and implications for the human resource function [version 1; peer review: 2 approved, 1 approved with reservations]. *Emerald Open Research*, 1(5), <https://doi.org/10.12688/emeraldopenres.12907.1>
- Paul Sparrow. (2004). *Global HRM. Aligning Human Resources and Business Strategy* (3rd ed.). Routledge. <https://doi.org/10.4324/9781003219996>
- Pearce V. (2024). Understanding German business culture [online] available at <<https://www.expatica.com/de/working/employment-basics/german-business-culture-100983/#overview/>> [27.04.2024]
- Petruzzi, D. (2023). Number of Rossmann stores outside of Germany 2010-2022, by country [online] available at <<https://www.statista.com/statistics/1009654/number-of-rossmann-stores-by-country/>> [23.04.2024]
- Phillips, J. J. & Connell, A. O. (2003). *Managing employee retention a strategic accountability approach*. Amsterdam ; Butterworth-Heinemann.
- Pinkovitz, W. H., J. Moskal, et al. (1997). *How much does your employee turnover cost?* Centre for Community Economic Development, University of Wisconsin-Extension.
- Porter, M. E. (1985). "Competitive Advantage". Ch. 1, pp 11-15. The Free Press. New York.
- Pudelko M., Harzing, A., (2007) *The Golden Triangle for MNCs: Standardization towards Headquarters Practices, Standardization towards Global Best Practices and Localization*
- Punjaisri K. and Wilson A. (2017). "The role of internal branding in the delivery of employee brand promise", in Balmer J.M.T., Powell S.M., Kernstock J. and Brexendorf T.O. (Eds), *Advances in Corporate Branding*, Palgrave Macmillan, London, UK, pp. 91-108
- Reiche, B.. (2008). The configuration of employee retention practices in multinational corporations' foreign subsidiaries. *International Business Review*. 17. 676-687. 10.1016/j.ibusrev.2008.09.004.
- Ren H, Shaffer MA, Harrison DA, Fu C, Fodchuk KM. (2014). Reactive adjustment or proactive embedding? Multistudy, multiwave evidence for dual pathways to expatriate retention. *Pers. Psychol.* 67:203–39
- Rosser Christopher. *Toyota Employee Relationship Crisis and Countermeasures 1990's*. [online] available at <https://www.allaboutlean.com/toyota-employee-crisis-1990/> [08.05.2024]

- Rossmann. (2024). Rossmann in numbers [online] available at <<https://www.rossmann.pl/firma/en-us/about-us/rossmann-in-numbers>> [23.04.2024]
- Rybnicek, R., Bergner, S. & Gutschelhofer, A. (2019). How individual needs influence motivation effects: a neuroscientific study on McClelland's need theory. *Rev Manag Sci* 13, 443–482. <https://doi.org/10.1007/s11846-017-0252-1>
- Saunders, M., & Tosey, P. (2012). *Research Design*.
- Saunders, M., Lewis, P., and Thornhill, A. (2007). *Research Methods for business students for business students*, 5th ed., Pearson Education, England.
- Schönebeck, Janina & Schönebeck, Manfred. (2015). *Engagement and Retention: Essentials of Employee Surveys*. 10.1007/978-3-642-40933-2\_52-1.
- Segal-Horn, S. (2014). *International strategy*. Wiley Encyclopedia of Management
- SHRM. (2024). *Managing for Employee Retention* [online] available at <<https://www.shrm.org/topics-tools/tools/toolkits/managing-employee-retention>> [30.04.2024]
- Singh, D. (2019). A literature review on employee retention with focus on recent trends. *International Journal of Scientific Research in Science and Technology*, 6 (1), 425, 431.
- Skinner, B. F. (1958). Reinforcement today. *American Psychologist*, 13(3), 94–99. <https://doi.org/10.1037/h0049039>
- Smith, J. (2022). *Employee Retention and Emerging Trends*. *Journal of Workforce Management*.
- Snyder K. (2024). 35 E-Commerce Statistics of 2024 [online] available at <https://www.forbes.com/advisor/business/ecommerce-statistics/> [24.04.2024]
- Sony, M. & Naik, S. S. (2019). Ten Lessons for Managers While Implementing Industry 4.0. *IEEE engineering management review*. [Online] 47 (2), 45–52.
- Stone B. (2022). *Burnt Out Amazon Employees Are Embracing the Great Resignation*. [online] available at <https://www.bloomberg.com/news/newsletters/2022-01-24/amazon-employees-are-burned-out-and-leaving-their-jobs> [24.04.2024]
- Synergy research group (2023). *Quarterly Cloud Market Once Again Grows by \$10 Billion from 2022; Meanwhile, Little Change at the Top*. [Online] available at:

<https://www.srgresearch.com/articles/quarterly-cloud-market-once-again-grows-by-10-billion-from-2022-meanwhile-little-change-at-the-top> [24.04.2024]

Takaoka B. (2024). Japanese Work Culture: Surviving to Succeeding Working in Japan. [Online] available at: [https://www.ejable.com/japan-corner/working-in-japan/japanese-work-culture/#Perceptions\\_Criticism\\_and\\_Contradictions](https://www.ejable.com/japan-corner/working-in-japan/japanese-work-culture/#Perceptions_Criticism_and_Contradictions) [09.05.2024]

Toyota. (2018). Sustainability Data Book

Toyota. (2024). Sustainability Data Book

Turker, D. (2013). Business Strategy. In: Idowu, S.O., Capaldi, N., Zu, L., Gupta, A.D. (eds) Encyclopedia of Corporate Social Responsibility. Springer, Berlin, Heidelberg.  
[https://doi.org/10.1007/978-3-642-28036-8\\_298](https://doi.org/10.1007/978-3-642-28036-8_298)

Turner, P. (2019). Employee Engagement in Contemporary Organizations - Maintaining High Productivity and Sustained Competitiveness

USAgov. (2023). Termination guidance for employers. [Online] available at: <https://www.usa.gov/termination-for-employers> [27.04.2024]

Van der Lippe, T., & Lippényi, Z. (2019). Co-workers working from home and individual and team performance. *New Technology, Work and Employment*, 35(1), 60-79.  
<https://doi.org/10.1111/ntwe.12153>.

Van Rijswijk, L. The companies employees don't want to leave [Online] available at: <https://resume.io/blog/the-companies-employees-dont-want-to-leave> [20.05.2024]

Vidyasagar and Jayavardhan. (2015). Current trends in employee retention strategies. *Intercontinental Journal of Human Resource Management*. ISSN: 2350-0859. Volume 2, Issue 3

Vroom, V.H. (1964). *Work and Motivation*, New York: Wiley, 1964

Weber, Y., & Tarba, S. Y. (2010). Human resource practices and performance of mergers and acquisitions in Israel. *Human Resource Management Review*, 20(3), 203–211.

Whetten, D. & Cameron, K. (2016). *Developing Management Skills*. 10th Edition, Prentice-Hall, Upper Saddle River, NJ.

Xuecheng, W. et al. (2022). Factors Affecting Employee's Retention: Integration of Situational Leadership With Social Exchange Theory. *Frontiers in psychology*. [Online] 13872105–872105.

- Yang LQ, et al. (2012). Individualism-collectivism as a moderator of the work demands-strains relationship: across-level and national examination. *J. Int. Bus. Stud.* 43:424–43
- Yao X, Wang L. (2006). The predictability of normative organizational commitment for turnover in Chinese companies: a cultural perspective. *Int. J. Hum. Resour. Manag.* 17(6):1058–75
- Yerkes, R. M., & Dodson, J. D. (1908). The relation of strength of stimulus to rapidity of habit-formation. *Journal of Comparative Neurology and Psychology*, 18, 459-482.
- Young, S. (2013). Transaction Cost Economics. In: Idowu, S.O., Capaldi, N., Zu, L., Gupta, A.D. (eds) *Encyclopedia of Corporate Social Responsibility*. Springer, Berlin, Heidelberg.  
[https://doi.org/10.1007/978-3-642-28036-8\\_221](https://doi.org/10.1007/978-3-642-28036-8_221)
- Yousuf, S., & Siddiqui, D. A. (2019). Factors influencing employee retention: A Karachi based comparative study on IT and banking industry. Yousuf, S. and Siddiqui, DA (2019). Factors Influencing Employee Retention: A Karachi Based Comparative Study on IT and Banking Industry. *International Journal of Human Resource Studies*, 9(1), 42-62.
- Zimmerman A, Liu X, Buck T. (2009). Employee tenure and the nationality of joint ventures in China. *Int. J. Hum. Resour. Manag.* 20(11):2271–91

## Appendix

### Table of Content:

1. Interview Questionnaire.....	108
2. Interview Transcript - Rossmann.....	109
3. Interview Transcript - EnBW.....	119

### 1. Interview Questionnaire

#### Introduction and Background:

- a. Can you provide an overview of your role and responsibilities within the international corporation? What is your role in HR management?
- b. How long have you been with the company? Have you all the time being involved in HR management decision-making and/or implementation?

#### Current Employee Retention Strategies:

- a. In what aspect employee retention is an issue in your firm? Could you share some of the existing employee retention strategies in terms of their development and implementation in your firm?
- b. How have these strategies evolved over the past few years, especially considering new trends and employee requirements towards the firm? [Online work, Flexibility, Career development opportunities, Focus on well-being....]. Why have they been developed? What of these approaches have been successful? Why do you think it has been the case?
- c. In your experience, what types of recognition and rewards have been most effective in retaining employees within the international workforce? Can you please provide examples?

#### Trends in Employee Retention:

- a. What, in your own opinion, recent trends or changes have you observed in employee retention strategies within international corporations in general? Are there any specifics in your firm?

- b. How has your firm dealt with these trends, and what impact have they had on employee engagement?
- c. What changes have you noticed in the behavior and expectations of employees in recent years? How have they been considered and implemented in your firm?

Employee Feedback and Communication:

- a. How does your organization gather feedback from employees? Do you take the feedback into account, and how, when you develop your firm employee retention strategies?
- b. What is the frequency of gathering employee feedback?
- c. What communication channels are in place to keep employees informed about retention initiatives and organizational changes? In your opinion, do they work?

Different Locations:

- a. Is there any change between employee retention strategies in different foreign locations/regions where your firm operates?
- b. Do you apply one and the same employee retention strategy or have there been any context specific adjustments within foreign operations? If there have been adjustments, what have they been and why have they been considered, developed, and implemented?

Future Outlook:

- a. Are there any emerging trends or strategies that your organization is considering for the future in relation to employee retention? What are they and how do you intend to address such trends?

**2. Interview Transcript - Rossmann**

Interviewer: Marta Bednarczuk

Interviewee: Ilona Perużyńska-Zych - Director of HR department

Company: Rossmann

Date: 24.04.2024, 13:00

MB : What is your position in the company and how many years have you spent at Rossman and in the position itself?

IPZ : So the position - director of the human resources department. I have worked in Rossman “attention” 22 years of which in this position 5.5 years. Previously, I held the position of leader of the payroll department or HR and payroll department, and from this position I just grew into the position of leader of the entire area of the HR department. In my department I have 6 sub-teams. One is a very large team of more than 80 people in the human resources and payroll department. The second team in the development department is responsible for training, for recruitment, for cooperation with universities, high schools, and for internships. These are the kinds of things that cause us to acquire new employees and also develop them. Another team is the employer branding team, which is the team that builds the employer brand. It runs our Careers page. Another team is the benefits team or the team that makes our people happy. These are all the things that make people even when they think about whether to stay in the organization, they say let’s stay because there are nice benefits. And another team is the occupational health and safety team. Here we do everything to make this work simply safe in accordance with the labor code and all the guidelines of the Ministry. And the last team helps organize work in our drugstores. This is a team that works with external companies so that they can provide us with external workers at the right time and for the right activity. So, for example, in a drugstore we have 11 employees and for certain activities at certain times we need help. It could be a delivery or something else. This small team just coordinates the outside companies so that we get additional employees. These 6 whole departments collect all the employee aspects. That is, whatever does not happen to an employee no matter which aspect always goes to one of these teams. That is, I have directly at my place 6 of my leaders who at my place again in the team have their sub-teams. In total there are 205 of us in the HR department as of today.

MB : Do these departments have communication with each other? What does it look like?

IPZ : Yes, they work together. Anyway, one of my monthly rituals too is that I work with my leaders. We have meetings together and exchange with each other what's going on at our place. So that there are no such situations where the team does some action that is not at all related to the actions of another department or contradicts them. For example, yesterday, Monday, we had such a meeting to summarize the beginning of 2024 in order for each leader



to say what is happening strategically at his place, so that all other leaders in HR hear and consider whether, for example, to join the action, stay neutral or oppose it.

MB : Is there a problem with retaining employees at your workplace?

IPZ : Retention in our organization is at a very high level. That is, the average seniority of an employee is equal to 7.5 years. Mostly in large organizations, no matter whether large or small actually, this retention is usually very low. In our case it is due to the fact, at least we hope so, that the organization of work is so engaging and arranged in such a way that people want to be here. Part of our personnel strategy is such a slogan "I came for a while, I stayed for years". And in fact that is the case. I am one example, but there are really a lot of people like me not only in the headquarters but also in the warehouses, and in the drugstores. This means that people in the drugstores in particular say okay I'm going to Rossmann to work there a little bit, but they, because of the fact that this work organization gives them security, not only financially, but in general security that I'm developing, I have benefits. I have a job, they decide to stay actually for years. And today when you ask me if I have a problem with keeping employees, I answer that I do not. Of course there are situations where it is normal that we part with people as if they leave us, for example because the company's mission, values, sometimes leadership mistakes cause these people to say I don't want to be here. In such a large organization as ours, because we have more than 17,000 employees in more than 1,800 departments, there is no way there could be no termination of employment contracts. On the other hand, actually today in such positions as leaders we do not have any practical fluctuation function at all. We recruit where we are developing, which means, for example, when we open new drugstores, well, we need a new drugstore leader, or when we develop automation. For example, right now we are developing one of our big warehouses and there we are doing such a big automation area. We know that in a year we'll need about 300 employees, but that's 300 new jobs. To operate this automatic process seems to be automatic so there are no people is not true. There are people needed to make certain things work - simply. I am proud today that in such a large organization that has a thirty-year history in Poland we have such a very good retention rate and it is falling month by month. This turnover is falling for us not only thanks to the success of my team but also because the job market is changing again today. We are slowly starting to be in the employer's market again. We have the first sources that say that people don't want to change jobs because they are afraid, because they know around the corner that something is happening with the war and

not only anymore; in Ukraine but also in general when it comes to geopolitics very different things are happening. And that makes people say how I have a good employer. I don't know what is around the corner then I will stay here they think. And we have been observing this strongly since the beginning of this year in Rossmann, but from my interviews in other organizations it is exactly the same. Why? Because unfortunately we have more and more decisions that companies are going bankrupt or we have reductions in various jobs, and people are afraid that if they change jobs, that job will disappear in a moment. There is a lot of talk about the fact that there are disappearing professions, that new ones are being created. In such a large organization as ours it is simply safe.

MB : So this means that in the future you will have more power, so to speak.

IPZ : mmmm Yes

MB : And what does it look like with new trends? Are there visible changes in benefits, for example?

IPZ : For example, just these benefits show that everything changes. That is, in terms of benefits, it is so that in our case the benefits change approximately every 4 years. We provide these benefits based on people's needs, which means that once a year we ask our people how the benefits we have provided them meet their needs. And we have our permanent program, which we don't give up. If we gave them up I think our employees would go on strike. On the other hand, in fact, all those others around, they change according to employee needs. For example, 2 years ago we introduced such a new benefit with which, we were the first in Poland to do so, it is the so-called veterinary package for pets. That is, I have a package that in all veterinary facilities in Poland is valid. This benefit has a certain amount of examinations, vaccinations, de-worming and all other things within such a package. That is, I, like a person, have a Luxmed package (Polish additional access to healthcare) then my pet within the benefit that my employer finances for me has a veterinary package. Why did we do this? Because after the Covid-19 I observed that people had a very strong need for closeness. Therefore, where this closeness was not there and they were confined to their homes, they began to invest in animals like cats or dogs. This caused when Covid ended and everyone went back to work and no longer had as much time to take care of the dogs and their costs increased, because the pet costs money. This caused us to start hearing that employees had to spend a lot of money on their pets. The moment I announced this benefit at the company it

was such a whoop. Employees were saying I can't believe it and you made our dream come true even without us telling you about it. This makes hitting the employee's needs with the benefit very important today. You know how it is with salary. There is always not enough. So if you have a good benefit then the employee will stay for that benefit. We see that employee trends are changing. Before Covid we didn't have a single online benefit. Today, we have a lot of benefits. That is, for example, we invite employees to online courses on I don't know how to make sushi. We send them products to their homes through a company we work with. We connect with them for a workshop and together having these products we make sushi. Or for example we have an online meeting with a sommelier and an evening with wine.

MB : The benefits you're talking about are also available to lower-level employees in the hierarchy? Or is it only for office workers?

IPZ : All of our benefits are open to the employees. There is no benefit to a specific group/department. It's thought that the head office has something extra there - not true. In fact, we even approach benefits in such a way that in the first place... Because you know - I don't have a benefit that is for 17,000 people. We are not able to create something like that. Therefore, if we do first come, first served, we usually follow the principle of drugstore employees first because that's where people earn the least and they should benefit the fastest and use it more frequently. So that's what we are guided by.

MB : In terms of employee behavior and expectations from the employer, has this also changed? For example, do office workers require flexibility and remote working?

IPZ : You know... At Rossmann neither in drugstores nor in warehouses we don't have the ability to work hybrid or online because of the nature of the work. That's what the pandemic showed us. Our people joining Rossmann to the drugstores know that they won't work online because, at least for the moment, we don't have such opportunities because this work is customer work. We have online work in the so-called hybrid only in offices. And this also varies depending on the team. For example, in my large HR team I have a payroll team that has only 2 days a month of online work because otherwise this work is very difficult to do because there are a lot of paper documents which are difficult to do simply at home. But I have such a training and recruitment team which for example already has such an arrangement of 3 to 2 per week. That is, 3 days working in the office and 2 days working online, for example. The leader of a given team evaluates by looking at the nature of the work

how much we can afford to work online/hybrid. We have a large team of over 300 developers and engineers in IT and there actually when we look at the percentages of online work we have the opposite rather 20% to 80%, and 20% is in the office. But we had such an employee revolt at headquarters because these trends are also such that employees hear that it's different in other companies and they expected it to be the same in our company. Let's say it will be, for example, 2 to 3. That is 2 days in the office and 3 days at home while we put a strong - NO. Because we care a lot about building relationships, and relationships are very difficult to build online. Particularly in teams that work creatively that is such a purchasing team, marketing team, operations team. If we lock them into the online world, we see a very big decrease in creativity and initiative as well as in quality of work. Unfortunately, this is partly dependent on the leader who motivates this team, but not only. Unfortunately because it's well known research shows that working face-to-face creates endorphins that just make you work better.

MB : In your opinion, do employees really appreciate these non-monetary initiatives?

IPZ : They will always say that it's not enough anyway and that's it. A year ago in September we did such a large nationwide survey on all employees about employee engagement and satisfaction. There were several questions that dealt with salaries and benefits. Employees told us that in terms of salaries it could have been a little better although in November we made salary changes and we really are a very competitive employer. We laugh that whenever you ask about salaries it could be a little bit more. But in terms of benefits they told us that the system of benefits and the availability of information about benefits is such that they don't need anything more because they feel listened to that the variety of benefits is such that everyone and singles and families and children because our benefits are not only for employees but also for family members. But in general in terms of benefits we got the information - please do not change but also do not go lower. But in fact from time to time we have employees who literally count every zloty and say that instead of this benefit I would rather get cash. Only we don't want to trade it because we are aware that these benefits of ours cause a balance in happiness and in life. Cash is not everything. We once wondered what would happen if our benefits weren't there. We got an answer from our people, because we like to make such different feedbacks and since we have very different communities we have a very nice sample. They told us that if we take away their benefits their children won't go to summer camp, their children won't have a school bag, they won't go to the movies because

the money the parent gets will go to something else. I think that today we are aware that we will never give up these benefits, even if employees ask us to. We have our own budget, by the way, the law says that if you have more than 200 employees you must have a social fund. Part of the benefits we have from the social fund, and we can't give up the funded part because you know we have to set aside money for it. However, we can't give up the non-funded part anyway, because we know that, for example, learning English for our kids might not be possible otherwise. Our employees' kids can have tutoring in math, Polish, English, which means that we kind of help parents in various aspects of ordinary life. The parent decides if, of course, he/she has a certain pool and can't use everything, for example, he/she will buy a development package for the child in English because he/she knows that otherwise he/she won't be able to afford it because the employer will finance it for them.

MB : That's very interesting. As you mention, I would like to further ask about communication. How often do you get feedback and do you even take it into consideration?

IPZ : As is most official, the first time we asked an employee "how are you at Rossmann" was a year ago in September. This is the so-called survey for engagement satisfaction. After that survey we got very good feedback because it was the largest sample. 65% of employees is a very high turnout. Employees told us in various aspects of our operations what needs to be improved, where it is good and where it is not. We, on the basis of this, have used since January this year such a package of responses to their needs, that is, for example, as employees said on the survey that they do not have time at work no matter where whether in drugstores or in warehouses or in offices for ordinary conversations, because they have so many activities and are busy that they do not have time just to ask themselves how am I. What we've done is this “#We have time” initiative, which gives employees time in drugstores in particular during the month to sit down with each other, have a pizza or the proverbial donut and just talk to each other. When we announced this initiative we had a standing ovation because we announced it at such a large event where employees said: you asked us and heard what we wanted to tell you, thank you very much for that. Employees also talked about other needs. They said : we don't understand career paths and so on. Well about that we knew there was no such thing. We railed against this with my team while they told us specifically what they needed and for today we are developing a program for our employees based on this. I already said that we ask our employees about benefits once a year. We don't ask what they would like to change in benefits. Rather, they tell us, for example: That we do

a nice benefit but didn't do some things connected to it. This is such an improvement of the available benefits. We also asked our employees that year about organizational culture. We asked for such a large sample because over 5,000 people again from different backgrounds, and they told us that the organizational culture that the company has created throughout its history in Poland is very good. A lot of families work at Rossmann. Employees invite family members, friends to work with them and this shows that they are proud and if they invite someone from the family it means that here in this company it is good and safe. This also affects this high retention. Employees feel good, they connect with the company's mission, they connect with the values. Yes, there is a lot of work but where there is no work today. It's like.. it's normal that if I want to have a good salary, and security that my salary will come in every month and no one will tell me in 2 weeks that they are laying off a lot of people. They appreciate that a lot today, and that's what they appreciated in this survey too. As if you ask in other companies, the key in any company today is to survey engagement and satisfaction at least once a year. Asking people how you are in the organization and what we as an employer should improve to make it better for you to want to be here and further to want to recommend this employer. I hope I have answered the question.

MB : Yes, you did. As for culture - What does it look like? You are originally a German firm. Do you get guidelines or you are independent?

IPZ : In every Rossmann as if in Europe it looks the same. The first in terms of size is Germany, then there is Poland, then there is the Czech Republic, then Hungary, Albania, Spain and Macedonia and the smaller ones. Outside Poland, the Czech Republic and Hungary are actually kind of our startups. The smaller ones are done as in the German organization the other larger ones have a very large autonomy left. We in Poland have so much autonomy that in fact all the things I create in my HR area I create myself. I don't ask which partner I should choose, for example for a satisfaction survey, I simply choose a partner who has international experience, but who hasn't necessarily done a survey in our Rossmann. If I am doing a large development project for Poland today, I adapt it to the Polish environment, to the Polish mentality, which is definitely different from the German mentality. In fact, today we have it and we would like it to be so that we have a lot of autonomy in every area - operations, marketing, purchasing or IT. We have a large team of more than 300 of our engineers who create. In addition to the fact that it supports Rossmann applications and all other things, it creates solutions for Poland. What's more, when I, as HR director, have such international

digital meetings with my other counterparts, I tell them, for example, how I implemented this in Poland so that, for example, Hungary could do the same in their country. Even sometimes it is so that we share this application that we create in Poland, because in Poland it is so, and this is not only about Rossmann, but we Poles have such a way that we often create things that are copied by others. Because they are so good. So to answer your question: yes, we have autonomy.

MB : Next question. Do you see a difference between employees who are in a different age group? For example, Gen Z, millennials and older people?

IPZ : Today in rossman we actually have all generations. We even have employees who work in retirement, but they work because we have permission to do so. At the same time we have the youngest generation that comes in and is 18 years old. And while learning they are already starting to work for us on an internship for example. As far as the equation is concerned, we all know that the younger generation is putting up boundaries. I mean yes, person Y or millennial will say “if there is something to do then I will stay. You don't even have to pay me for it”. Of course we will pay, but he conveys that I have to do it so he stays no discussion. And Gen Z gets up and says sorry but I have a soccer game at 5pm today and I can do it tomorrow. And this is normally in daily cooperation. But I'm happy about it. Why? Because it allows us to learn from the younger generation to maintain balance. I see my colleagues next to me working and I learn not to work as much as my predecessor boomers taught me. Today we are glad that commitment should also have some limits. If you get too burned out professionally, well, how much more of that energy will you have for a year? Maybe two? In Poland we are struggling, but not only in Poland generally in Europe and the world, more and more with professional burnout. There is a very high percentage of Gen X professional burnout. Why? Because they are not able to balance, and the younger generation shows us "I will do it tomorrow. Will something happen if I do this tomorrow?". This is the first thing, and the second thing is that this young generation also absorbs technological knowledge very quickly. For example, in my example, I am learning from my younger employees how to use AI. They installed a chatbot for me and instead of writing an email for 3 hours I threw a short description about what I want and I do it in 45 minutes nowadays. They taught me how to do that. But it's also about me as this older person having to open up and give permission and it's really a beautiful generational connection. The young one says "the older one listens to me, I want to be here because they draw on my potential" and the



older one says "I can give the young one some advice." And this is where reverse mentoring which says that we can learn from each other is beautifully arranged.

MB : Are there any emerging trends or strategies that your organization is considering for the future in relation to employee retention?

IPZ : I think we certainly need a change in thinking. In the sense that there is a lot of talk today about the 6-hour work day, or the four-day work day. Companies are starting to test it, and it's certainly a trend that says it's not an art to sit 8 hours at work today, but an art to do it in a short period of time. To go home and simply balance your energy. This is one such trend that will mean that if companies stop for a moment and see that time can be used differently, they will certainly keep employees for longer. The diversity of generations makes us want to work less. I know it sounds strange and that it sounds unproductive, but there is no need to cover our eyes. In fact it is the case that people are so tired that they want to work less but still do the same job. They don't talk about "okay now I'm going to do less chores," they just want to organize themselves in such a way using technology that on Fridays, for example, they will work until twelve o'clock. These are trends that are beginning to appear to us in Poland. They will continue to appear. I'm talking now about office workers, but when we think of employees in a drugstore, for example - they want more flexible working hours. And there is no escaping from this. There is also increasing talk that where technology can be used wisely it should be done so. Of course, we will use it most in offices. I myself experienced that when I opened up to chat bot. I gained an hour and a half. So much time gained that I can go out to people and ask how they are. We are also thinking about how to make the drugstores younger. We are thinking about how to make young people, not even eighteen years old yet, but teenagers, earn money in Rossmann. We now have such a large project, which we will launch next year, where we want to invite teenagers to come to Rossmann and do so-called light work. We would do this so that they enter the job market softly. As the head of HR, I know that in 5 to 10 years I won't have anyone to work with because we are indeed an aging society. Therefore, we want to enter the mindset of teenagers, and people who are entering the labor market as an employer who is a good employer. Whether that will be our advantage, I don't know. But actually when I think about who will work in a drugstore or warehouse, because I'm not likely to worry about the office because everyone wants to work here, I think about how to bribe young people with the fact that they want to work in Rossmann.



MB : Thank you very much for your time and for such details.

### **3. Interview Transcript - EnBW**

Interviewer: Manuel Wohlfarth

Interviewee: Ursula Hemberger - HR Officer

Company: EnBW

Date: 12.04.2024, 14:00

MW: So I would just start with the first point: tell me a bit about what you do and how long you've been with the company.

UH: Well, I changed departments on April 1. This has to do with my role, so my title is HR Officer, but I don't think that says anything at all about the job. I switched from Team Development and Transformation to Employer Branding and Recruiting. And I'm currently taking on the topic of onboarding new employees, which is very important. We currently have a format for this, but it has been a bit neglected due to capacity. And there's now a small team dedicated to employee retention and onboarding so that we can focus a little more on that. Because we need over 9,000 new people. And if you hire a lot of people and a lot of them leave, that's really stupid. So, we all think it's a really valuable, important topic and it's now getting the attention it needs. And I'm completely new to the topic itself. I'll just take over what's currently available. There's a virtual Welcome Day, which will be supplemented over the course of two weeks with various posts on different topics.

MW: What did you do before you got into this field?

UH: I was in the Team Development and Transformation team. I was in the team itself for a very short time, because I was involved in the Team Best Work project for two years. I was in charge of the pilots, so there were the pilots who at the very beginning only worked in the HR area network. In total, there were just under 850 people who started out as pilots with this concept. It was a great learning experience to see how scalable it is, what it needs, what it doesn't need, what you have to think about. And I was involved in program management, project management. I then also accompanied the teams as a Best Work Coach. Then it came

to the rollout, so a new concept was created, because you realized that with these pilots, really 1 to 1 ventilation was done by the areas that were accompanied, there were between 1 and 8 workshops on the subject of designing space, you can't do that if you have 10,000 people, because it's too high. Exactly, and then I acted as Best Work Coach in the concept, i.e. during the rollout, and we also worked a little on the concept and onboarding of Best Work Coaches, we advertised the role, 37 people applied, I held interviews, we arranged them and accompanied the journey of various teams. That was my role, it was a really exciting time, and before that I worked in payroll accounting for over 20 years. So, I can do collective agreements, I can do company negotiations, so I did something completely different. Then I made a change in 2020, from payroll accounting then into Best Work and now into this recruiting, employer branding.

MW: Can you tell us something else about Best Work, what the topics were, what you did there?

UH: Of course, so for the very first time, Best Work practically started from the moment Corona came about, with everyone at home. And we were really well positioned at EnBW. So, our software was prepared in such a way that we could all work from home. On March 12 or 13, as it is, we were no longer allowed to come to the office, we can only come and get the things we need, that's what we did. Then suddenly we were all sitting at home. And when everyone is sitting at home, it's really different, I can go back to the office now or we're doing a hybrid event, everyone at home, that's different, a few are on site, a few from home, a few from the other location. We have simply used this momentum to consider and on the one hand, recognizing that we can also work from home and still run the business, which was previously the case, there was an WFH agreement, between one and three days were possible, and the manager could decide what was possible and what was not. And then suddenly we were told that there are exceptions where it's not possible for operational reasons, but otherwise everyone can work from home. And the concept of Bestwork was that the team should go on a journey together, what should our collaboration look like? What rules do we want to set ourselves? What do we need in our offices, i.e. what should the office roughly look like? I.e. are we more people who work individually and need little exchange because everyone has their own area of responsibility, do we need more co-working spaces? Do we need anything else? And that was the journey. Over a thousand teams, were accompanied by Bestwork coaches on a six-week trip to see how the team is, how we are actually set up, what

kind of team rules we need, how we want to work together in the future. On the basis of this workshop, everyone was then able to make this local decision to say, so if the team said it was enough for us to be on site once a month, then everyone can decide for themselves, do they want to work mainly at home or mainly on site. Depending on that, the decision could be made. And that was the case with Bestwork. I think that was where I provided the most intensive support, we then tried to work together in some way, so we heard a lot from the teams about what was needed, what was missing, and tried to develop a few models, or products, that could support the teams, for example, to explore the topic of what our days could look like, what such a tool needs, what possibilities we have, and of course also to ask how a hybrid meeting can work well. For hybrid, somehow everyone understands something different, for me a hybrid meeting is like talking right now, one part is together in the meeting room on site and maybe some only from the other location. How can you still manage to work really well together and that no one feels somehow excluded, so also the rules, a clear structure is needed. For example, if they keep talking to each other on site and you're outside and don't hear them. You somehow pay attention to what kind of room is needed with so many people, which room is good, what's the light like, no kidding, these are such small things, it sounds really trivial. Colleagues from IT have also helped with that, so what is there a service for, what does it do for what, also to guide people there a bit, to see what kind of event or meeting needs what. If everyone is on site, that's no problem and everyone virtually is no problem, but the mix is a bit complicated, so that you don't unconsciously exclude anyone, so that's what the work has dealt with.

MW: What would you say, if you look at the premises and the work organization now, what is so different now compared to, for example, the beginning of 2020 or before Covid-19 time?

UH: It was very difficult at the beginning, two years just at home, I was able to speak as loudly as I wanted. In the past it was always, before 2020, 2019, we had the announcement in the holidays, on the last day of billing, everyone should come to the office, no matter who it was. There was an endless babble of voices, 20 people and everyone just made quick calls, all hell broke loose, it was loud, but when I'm here now, only a single person bothers me, and at the very beginning it was really difficult for me or I think for a lot of people. There were very few people around and individual voices that you then heard or when you came in and nobody was there. I only ever really try to come into the office when my calendar isn't full of

appointments, because otherwise you just sit here and then only be in appointments. I think you go to the office more consciously; you also try to exchange ideas or to really work together with others in such a haptic way. I think that has changed and it requires a greater effort, each individual, that you still remain intimate.

MW: Have you also changed anything, for example rooms, seating or something like that, so that people perhaps have more contact with each other when they are on site?

UH: Yes, exactly, on one hand everything is a bit more relaxed, we used to be closely separated to some extent. The desks are no longer so close together and we also have a bit of open modules. In the HR area now, that's just a single open module, but we have the collaboration options, they are in the guidelines. There are different components possible, there it has a Surface Hub, so there we have everything it takes.

MW: And is there also more expectation from employees nowadays, for example topics like working from home or something like that, flexibility, is it more expected from employees nowadays than it was a few years ago?

UH: I have the impression, if I'm honest, that with everything you get, the expectations of the employees actually increase. So, it's often difficult to enforce, that's my perception. If you make a fixed appointment every two weeks and you say that everyone should come on site, that people are then willing to come on a certain day, so there are certainly different teams, but I find it very challenging, because in the past you used to go five days, now somehow it becomes difficult because of the possibilities you have now. I find it very interesting. I think EnBW has created a lot of freedom. It has given a lot of freedom and responsibility to teams, which is really nice. In one team, because I've now only accompanied one coach, one employee wanted to come to the office for two days. So, there are also people who are at home, who would like to come, so of course they can come, but if I'm sitting alone, it's not necessarily worth it. The freedoms we've been given now, I sometimes have the feeling that there's a bit of an expectation.

MW: Looking at the issue of employee retention. If this flexibility or these new possibilities and digital opportunities were to be scaled back a little, for example, if office days were to be arranged, for example, a maximum of one day a week working from home or similar arrangements, do you think you would lose employees overall?

UH: 100 percent, 100 percent. I think that's something that EnBW can really advertise, because a lot of companies have said quite clearly, they'll be back to two office days, or they'll be back to three office days. The boss of Trigema, I think he also said something like that, he also said that anyone who can work at home, he will bring him back to the company, otherwise they do nothing anything like that, and that's not the case with us. And that is also a great leap of faith, so to say, well, I can sit in the office and do nothing, but I think that also has to do with trust, to say, hey guys, you can work at home, we trust you. Of course that also ensures, that people, well, it's not possible for all jobs, but for those that are, that people from all over Germany can evaluate themselves here. We're not currently able to do this abroad, because the Best Work company agreement only applies to people living in Germany.

Mw: Does this make it easier to retain employees in the long term if they are now offered this flexibility?

UH: I think so. I think that plays a lot into it for me. I've been here for 37 years; I've also learned from us. I do believe that you can retain people in the long term. On the one hand, we really have the task of an energy supply company that had to get out of nuclear power, was getting out of coal previously, is already in the process of making this full switch. We also are the only energy supply company in Germany that works along the entire value chain. We have production, we have retail, we have distribution, we really have everything, and I think that's fun. I assume that this can appeal to many different people, with very different backgrounds, different tides, there should be something for everyone, I think. I think it's a really broad field where you can really make a difference, I just don't know how well known it is outside Baden-Württemberg, I think it's increasing within Baden-Württemberg and we also have a reputation, but I think we're really always perceived differently because, of course, there's a bit of an edge right now, if I may say so, because we had to increase the electricity price. But if you then see what the background is, in Covid we were one of those who offered cheap electricity, it was still expensive enough, but we were one of those who offered relatively cheap in comparison. Nobody talks about it and our electricity dealers, they always buy electricity with a long lead time. I also think that because we're in the wind turbines in the North Sea and Baltic Sea, that our popularity is increasing and we also have a huge solar plant in Brandenburg, so yes, I think we're increasing a bit more within the rating of people.

MW: Another question about personnel strategy. In general, in EnBW there is a corporate strategy that focuses even more on issues such as sustainability, sustainable production and intelligent or digital infrastructure. Does this also influence the HR strategy in such a way that more focus is placed on these areas?

UH: Wow, that's a good question. I think I'm a bit ignorant there. For me, it's clear that if there is a strategy for a company, everything else is derived from it. We are currently working on a trainee and student campaign, to launch a new campaign for EnBW employees and I would say that the strategy will not fail to become more sustainable in everything, definitely also in human resources.

MW: With regards to the digital changes, have you noticed any problems with some employees who were not so digitally savvy, for example, that you can somehow train them or have any opportunities to take them along with you in this change?

UH: Yes definitely. For example, one sticking point was the changeover to no longer having your payslips sent home. There was a transition period. And at some point, the point was reached that with 26,000 employees, you don't just send out one letter every month, that's a lot of paper. And the changeover was, well, you noticed that some people really struggled, but it worked out in the end. You need a bit of time, and you need support, and I think EnBW offers a lot in that respect. I think it's not just EnBW that needs to be involved, but also every single colleague. And I believe that one colleague is having difficulties, we have offers for everything. The topic of teams, concept, board. I didn't know the concept board before. You just have to get involved with it or teams. I used to only have a phone list to think about. Now I know that they are more features. But I think, for one thing, people are different. I need the work, that's what interests me. And if I now have a colleague who is struggling maybe sometimes you just have to take people by the hand. So long story short. We have support services that are transparent and visible. And I think some people do it of their own accord and some need a bit of prompting. But I would say that we take people with us. And some find it easier than others. But I think that's simply always the case. And, while I don't think that's always the case, but I think younger people usually find it a bit easier. Not in principle. I, for example, am no longer the youngest. But sometimes I also think, wow, can I manage that, but then I do.

MW: There are also these online platforms, where you can simply look at certain topics on your own, so that you can train yourself a little, right?

UH: Exactly, there are not always appointments, but simply training videos where you can do this and try things out. Everything is really thought of, you just have to do it. But you know, you can't take the dog hunting. There are some who can't do it, but you can take them by the hand. There are always people who simply say, I've been doing this for 30 years or I have no idea. There are always people like that and they are everywhere.

MW: Have these people also gone through the changes? Or how have they gone through the last few years? Is there somehow a way of dealing with them?

UH: I can't tell you anything general. I always think the manager should look at where he can provide support. I believe that everyone has at least achieved what they need to achieve. Sometimes it might have been a bit much, but at the end of the day, we work inside because we get paid. Sometimes you have to grow into it a bit.

MW: A general question. I don't know how deep you are into the topic of employee retention and reward systems. Another question would be how do rewards or recognition affect the company? Whether employees receive any special remuneration concepts that are intended to contribute to long-term loyalty to the company? Or how the recognition is transferred to the employees themselves?

UH: The question is, if you mean in monetary terms, there are of course possibilities. We have the profit-sharing scheme. Everyone gets the same. Although, of course, not everyone gets the same, everyone has a different amount, because everyone's salary is different. What is a reward? The monetary incentive, that's one thing that still works for a relatively short time. What is a reward? If you have worked on a project, you may also receive a voucher. For example, colleagues have received a voucher for Europapark. I think something is always done from time to time. I think there are also different remuneration models. But that has nothing to do with rewards per se, but rather with remuneration. What else is there? Remuneration, that's not about the social aspect. We have sports facilities, we have a medical service, we have a canteen. I strongly suspect that this also provides an incentive, because I think remuneration is always a tricky subject and rewards are always a tricky subject and it never feels fair. We have the option of making a special payment, but I've been at it for a long time now. I haven't been given a special payment yet and I'm still satisfied.



MW: Do you have the feeling that many employees really appreciate these non-monetary incentives and that this is also presented as a benefit for the company?

UH: I would say a large part of it in any case. I'm just not sure. There are things that are perhaps right at different ages or perhaps because of the activity. I don't know. But I believe, for example, that we have the canteen, that there is always food and cafeterias and so on, I do believe that this is set. For example, we have free water. I think these are things that are appreciated. Or the sports facilities. Yes, and also the opportunity, for example, right, there's something else. For example, we can order IT equipment twice a year. You can also read about these employee offers or these electric bicycles or something like that. But I don't think you can imagine that there are people for whom there is nothing at all.

MW: The issue of IT equipment, for example, is that now a more recent topic with this home office issue or was it already there in the past?

UH: Yes, it's not that old. I'm not sure now. Maybe four or five years, but I'm really not sure. Then we still had the cars on offer, but they were taken out again because they simply couldn't continue to offer them. But the bicycles have probably been around for longer. That's how it is, it's probably been eight years or so, nine. I'm not sure about that, but it's been like that for several years.

MW: Do you also regularly get feedback from employees about what they like, what they don't like as much, or what they would like to see in their day-to-day work?

UH: We have an employee satisfaction survey. In theory, is it carried out annually. I would say that it covers a lot. Of course, they don't ask what else you would like as a reward or anything like that. They don't ask anything like that, they rather ask how satisfied I am with the team, how is the recognition, how do I get on, things like that. The big picture is asked. What will come next is this psychological survey, but it has to be done in a certain size. Simply how much psychological stress people are under. And the other issue is that you really can't overload people with questions. What is an issue, unfortunately, on the one hand is the participation. Then I think it is no longer representative. You always have the opportunity to give feedback. I could write something if I wanted something. I think if a thousand people write the same thing, then you'll definitely think about it.

MW: Will this then be published in any way once the survey has been completed?



UH: Yes, it is published, but there is no overview so that everyone can look at everything, but there is simply an overview at a large level to say this is how it was and each individual area gets its results. Simply because there are also managers involved, which is why I think we need to look at the big picture and say what the results are for different areas. The big picture is transparent.

MW: Another topic. The strategies or measures that you apply, especially with regard to remuneration models or benefits that you offer employees, is it universal for all employees, regardless of location and perhaps also subsidiary, or are there still some differences, different conditions?

UH: I have to answer the other way around. All those who are subject to the collective agreement, do belong in it, i.e. in this collective agreement for employees who joined the company up to December 30, 2008, that is the MTV and from December 1, 2008 it is the VR-TV. And all people who are subject to it are considered according to the same regulations. There is no differentiation as to where you sit, but rather what job you have, what your professional experience is, what your responsibilities are, and on the basis of this it is looked at where this classification takes place.

MW: Are there also locations outside Germany, in EU for example, for EnBW?

UH: Let me think for a moment. We have Turkey, Austria, I have to think for a moment, Turkey, Sweden? Let me think for a moment. Germany, Turkey, Czech Republic, Sweden, but we no longer had that. I think that was just it. No, that was it.

MW: And in terms of HR management, I don't know if you're that deep into it, are there similar framework conditions, for example in terms of new ways of working and working from home and things like that?

UH: No, I don't know, theoretically not, because even if they are, I don't know, if they are paid according to our collective agreement, the company regulation doesn't actually exist anymore. But I don't know, because they have location regulations, these are only subsidiaries.

MW: Well, to finish, I'd like to take a look into the future, what you can expect in the next few years, for example, how the expectations of employees will change, what employees want or how the company's fields of work and work organization will change.

UH: Okay, so what I think the employees actually want, I'm pretty sure, is to be able to work here from anywhere in the world. I think I could imagine that it's a great wish that it's not limited to Germany. I think there would be a great desire to move to France, to Ireland, to England, to Sweden, to the USA, Canada and perhaps still work here from there. I think that's what people want.

MW: Then a quick question directly. Do you think that if this were approved, would it mean that German employees would move abroad or rather that foreign employees could then be integrated?

UH: I think a small proportion will probably move within Europe, maybe just to Holland or France, France in particular is interesting for those who live close to the border. I think that would mean that we could try to recruit people from all over the world as employees, of course. I think that would go both ways. However, the biggest proportion would probably be that not everyone would suddenly move abroad, but that perhaps, if we do it well, foreign people would apply for jobs in our company.

MW: Okay. And are there any other changes you can think of for the future?

UH: Yes, well, I don't know if they want that, but I think our employer will change a bit again. I think there are still plenty of jobs that could perhaps be done by artificial intelligence. I think there will be a lot more automation and digitalization. For example, until a year and a half ago, the colleagues who were here, it was an external company that cleaned the floors in the corridors and so on. There's now a machine running through there. And I also believe, I think you can use artificial intelligence to help with simple things in many areas, auditing, accounting, I would even say in the area of what our lawyers do. So, I think a lot will change in that area.

MW: Do you think that will have an impact on the workforce? Because you said before that employees are now joining or want to expand.

UH: Yes, well, I don't think that has anything to do with it in the first step. A lot of people are simply leaving, we have new activities. I think there will be a peak again for the time being. And then I think that for a lot of things, in the beginning it's always more effort to introduce something or improve something or just digitize artificial intelligence, chatbots. And I think it's becoming more and more difficult to have jobs that can be done by someone who is perhaps simply involved in simpler activities. I think they will disappear more and more. The training, that's just something for every job, so you definitely need education where you've learned something for three years. I think the whole, I don't want to say this in a disrespectful way, but it's just a good qualification that you need to be able to work. I think that's becoming more and more difficult. Or that it is also becoming more difficult to take trainees and students by the hand and explain things. There used to be a lot more things that were done by hand. That's already becoming less common now. And I think, of course, I can show you that when you're sitting next to me and I'm operating my screen. But somehow it's like, how should I put it, I watch and I watch, but that's not the same as doing something by hand. I think the challenges are increasing for everyone because a lot of simple things are falling away. And the things you still do become more complex and complicated.

MW: So do you think that employees tend to view it negatively when things become more complicated due to IT systems or require more specialist knowledge?

UH: I think it's both. I think for some people it's great to have the feeling that everyone is simply requiring their great knowledge and that it's needed. And I think it might scare some people. And maybe, I'm not painting it black, but I think it's going in that direction. And what I also believe, is that there are simply jobs that you can't replace. You can support them more or something, but it will be a power plant, for example. There used to be system runners who walked through the plant and checked whether everything was right. I believe that at some point everything will be replaced and some system will report, hey, look here, this screw is loose or something. But the craftsmen who repair it in the end will always be the people who need great training. They need more and more technology and even more IT knowledge. So, I think we're raising the level of training there too. But they will always need it. I think there's something to be said for both. I'm really excited to see where it leads.