Low-Skilled Employee Retention Practices in the Fast Food Industry

A study of retention practices within the Verhage Fast Food franchise

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Abstract

Employee turnover can cost an organization a significant amount of money. In addition, retention of employees can beneficial towards an organization as it e.g. allows to save costs related to recruitment and training of new employees. The fast food industry is recognized as an industry which employs low-skilled employees and is especially in the United States known to be prone to high employee turnover. With regards to Europe, only little information is available in the field of low-skilled employee retention in the fast food industry. Looking towards the Netherlands, there has been no conducted research concerning this topic from a manager’s perspective allowing to identify the best HR practices to limit employee turnover in the organization.

Our purpose of this thesis is to increase the understanding of the practices on employee retention of low-skilled employees in the Dutch fast food industry. To be able to meet this purpose, the following research question was developed “How do managers address retention of low-skilled employees in the Dutch fast food industry?”

To be able to answer this research question, a multiple case study was conducted to study several franchises of the Dutch fast food organization “Verhage fast food”. We chose to conduct of qualitative study by developing semi-structured interviews. The empirical material was collected by interviewing an HR manager and the CEO of Verhage to develop an overview of the organization. Furthermore, we conducted five interviews with franchisees of Verhage. These franchisees were chosen based on four criteria being location, variety in experience, amount of employees, and amount of franchises owned. These four criteria ensured that the chosen franchisees in our study are active in different environmental settings. These interviews were conducted with the aim to find out how these franchisees perceive low-skilled employee retention and to identify how these franchisees address retention through the implementation of HR practices.

Our study provided a contribution that shows the most effective HR practices in the fields of recruitment and selection, training and development, career development, and recognition and rewards are depending on the situational factors. Whereas one franchisee needs to pay well above minimum wage to attract low-skilled employees, another franchisee can easily pay the employees minimum wages without the need to worry for job applicants. Another contribution based on the outcome of our study is that the provision of training and responsibilities besides being done to benefit the company in e.g. productivity it also results in more engaging employees with a higher intention to stay.
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1. Background

Employee turnover can cost your department and your organization a significant amount of money. Porter states that, "When you consider down-time, recruiting activity, interviewing, on boarding, and ramp-up time, replacing an entry-level position typically costs 50% to 100% of the employee’s salary" (Porter, 2011 p. 58). While this phenomenon of employee turnover is happening it is the task of Human resource (HR) Management to be able to prevent such situations to occur. Lado and Wilson define HR management as “a set of policies and practices directed at attracting, developing, and maintaining (or disposing of) a firm's human resources” (1994, p. 701). Their definition shows that one of the outcomes of good HR Management is employee retention.

Browell defines employee retention as "keeping those members of staff that one wants to keep and not losing them from the organisation for whatever reason" (2003, p. 5). Retaining employees is not only beneficial to save expenses in replacing personnel through for example saving on recruitment costs, it also provides additional benefits. HR Consultants Duggan & Horton mentioned that employee retention would lead to greater efficiency and productivity resulting in a strong and lasting competitive advantage (2004). In addition, Van Knippenberg, suggested that employees can become more loyal and stay in the organization when they identify themselves within a group and contribute to the performance as a group (2000, p. 367-369). Since employee retention is an outcome of HR Management, many HR activities are able to exert an influence on the retention of personnel. For instance, recognizing and rewarding employees their work has impact on their decision to stay within the company (Davies, 2001, p. 55).

Previous research by Burtless revealed that employee turnover occurs frequently with low-skilled jobs. He noticed within the United States 1.2 million job openings for cashiers every year from 1996 until 2006. However, less than 1 out of 6 of these jobs openings were actual new job openings, the remaining consisted out of employee turnover. (Burtless, 1998, p. 71) Moreover, as employee turnover involves high costs, it would be beneficial for organizations employing low-skilled employees to keep this as low as possible.

Nonetheless, there is no universally accepted definition of low-skilled jobs (Bertozzi, 2010, p. 10). “Skills” can be defined in various ways depending on the research. It can be defined either on the required level of education or on the type of tasks to be carried out (Jansen, 2000, p.10). Therefore, in our own definition, we view low-skilled as work consisting of repetitive tasks that can be easily attained where workers do not need any specific educational achievements. With repetitive tasks we refer to tasks which entail but are not limited to take orders, to deal with payment of orders, preparation of the food in a semi-automated way, and general cleaning activities as most common forms of repetitive work in an organization.

1.1 Problem description

The fast food industry was mentioned in the New York Times as an example of an industry employing low-skilled employees prone to high employee turnover (Porter, 2012). In addition, Erin White, staff reporter of the Wall Street Journal mentions that "average turnover for most large and mid-size companies is about 10% to 15%. But at fast-food chains, rates as high as 200% a year for hourly workers aren't unusual." (2005).
Fast food is defined by Zieve, D. and Eltz, D. R. as “quick, reasonably priced, and readily available alternatives to home cooking.” (2011). Thus, fast food refers to food that can be easily prepared within a short amount of time which is sold in restaurants and snack bars for a relatively low price.

Erin White shows the fast food industry within the United States has difficulties in retaining its personnel. In addition, within this industry in the United States, labor costs are the second highest operating costs representing 29 percent of the total operating costs (Cohen, 2008). Due to the high employee turnover, the industry suffers from high recruitment costs as well as lower productivity (O’Connell & Mei-Chuan, 2007, p. 15). It can be thought that the fast food industry regard low-skilled employees as easily replaceable employees. However, fast food chains such as McDonald's became aware of this issue and have started to create efforts to increase retention of its low-skilled workers (McDonald’s, 2013).

Looking towards Europe, little information is available concerning the employee retention in the fast food industry. An industry profile of fast food in Europe shows the industry has been growing continuously between 2007 and 2011. In addition, the profile shows the industry suffers from a strong rivalry through prevalent price competition up to such an extent that it can be seen as a form of price dumping. (Fast Food Industry Profile: Europe 2012, p.19)

Unfortunately, figures on employee turnover of low-skilled work are lacking or outdated. This makes it challenging to provide a clear picture of the situation within Europe. Nonetheless, illustrated below are examples of fast food chains in countries such as Sweden, Belgium and the Netherlands that have difficulties in retaining its personnel at the bottom ladder.

Sustainability manager of Max Hamburgare AB, a Swedish food chain, acknowledges this issue in an interview as he mentions it is difficult to retain personnel at the bottom level (Chef, 2012). Furthermore, several years ago in Belgium labor unions of numerous local and international fast food chains went to strike in an attempt to increase the industry's minimum wages to improve retention of personnel (Stadsredactie, 2007). In addition, a small study in the Netherlands uncovered the issue of employee turnover which counted 71.12% in 2006 based on four franchises of McDonald’s, all based within the same city (Sandman, 2008, p. 10).

Looking at the difficulties of the examples in retaining employees in Sweden, Belgium, and the Netherlands, it noticeable employee turnover is mainly concerned with low-skilled employees. The small study of the four McDonald’s franchises within the Netherlands looked from an employee's perspective into how employee retention can be enhanced (Sandman, 2008). There, has been no conducted research available from the employer’s perspective on employee retention in this particular industry within the Netherlands. Looking from an employer’s perspective, allows investigating the different HR practices which could lead to employee retention. This allows identifying the best practices to limit employee turnover.

**Therefore the research question is as follows:**

*How do managers address retention of low-skilled employees in the Dutch fast food industry?*
1.2 Purpose

Our aim of this exploratory study is to increase the understanding of the practices on employee retention of low-skilled employees in the Dutch fast food industry.

The essence of this topic prompts the use of a qualitative study of franchise managers in various franchise establishments of the “Verhage fast food” organization. Examples originating from the United States concerning employee retention in the fast-food industry as mentioned previously, provide evidence that low-skilled employee retention is an important component of both the improvement of the employees' and the organization's conditions. More extensive and qualitative research would likely allow fast food organizations operating in the Netherlands to further expand their HR practices to further benefit of employees and organizations.

To be able to meet the purpose stated above, the research is divided into three sub-purposes. The first sub-purpose of this research is to identify how managers in the fast food industry consider employee retention. Afterwards, we will try to recognize the current HR practices in low-skilled employee retention which is the second sub-purpose of this study. This will be followed by third and last sub-purpose which is to identify how franchisees implement different sets of HR practices.

1.3 Delimitations

The delimitations of this study is to focus on the franchisor Verhage and its franchisees which operates solely in the Dutch fast food industry. Since the research conducted is only based in the Netherlands, which market might be different than similar markets in Europe and economies globally, it is hard to generalize the result due to the country’s situational factors influencing the practices of the organization e.g. labor legislations. In addition, the cultural aspect of the country are also not taken in account. Due to the practices with regards to retention in place, it might prove to be difficult to generalize the outcome of this study within other industries.

The study will be conducted from a managerial perspective which are the franchise owners of Verhage. Thus, the employee’s view is not taken into consideration throughout this study and might prompt further research. The choice of Verhage as a topic of this case study is based on the researchers own interest and has not been influenced by the organization studied through form of a commission or any other way.
2. Theoretical framework

The theoretical framework is divided into five parts. At first, a broad view on HRM is provided. This will be narrowed down towards HRM practices within the organization. Afterwards, we will continue with HRM practices specifically to low-skilled employees. Consequently, an overview is given of today’s knowledge with respect to employee retention. This will lead us towards an individual’s perspective for a better understanding what can lead towards reasons to leave an organization. Finally, the theoretical framework will be concluded by an illustrated summary developed by the authors concerning employee retention.

2.1 Human Resource Management

We will start by several definitions of HRM to provide an understanding what this concept entails and its role in the organization. This will be followed by explaining the strategic value of HRM. In addition, its goals within the organization will be mentioned which leads towards perspectives an organization can attain on the management of human resources.

2.1.1 Definitions of Human Resource Management

Human resources are defined by Durai “as the collection of people and their characteristics at work. These are distinct and unique to an organization in several ways” (2010, p. 3). By unique, it is meant that human resources have distinct features which cannot be replaced by any other assets in the organization (Durai, 2010, p. 3). Utilizing human resources can be seen as a challenging task which requires adequate input by management. HRM assists in this way to contribute not only knowledge but also skills and abilities allowing management to manage their human resources in an effective manner. (Durai, 2010, p. 3)

Another definition of Boxall and Purcell state that “HRM covers the policies and practices used to organise work and to employ people” (2011, p. 4). In contrast to the previous definition, it focuses on policies and practices enabling to manage HRM. The definition implies that HRM covers both managing the work itself and the people whom are doing the work. It shows a clear distinction between the two activities

Work policies and practices refer to how the organization of the work takes place. In addition, employment policies are more related with the hiring and management of people. This relates in how the work is structured which can vary from involving the employee in the decision making process or up to what extent the supervisor controls the employee’s work. (Boxall and Purcell, 2011, p. 4) It is also stated by Boxall and Purcell that these employment policies and practices exist more specific of “management activities in recruiting, selecting, deploying, motivating, appraising, training, developing, and retaining individual employees” (2011, p. 4). These activities can be divided into areas such as recruitment and selection, training and development, career development, and recognition and rewards.

2.1.2 Strategic Human Resource Management

Considering strategic HRM, Boxall defines this as it “is the interface between HRM and strategic management” (Boxall, 1996, p. 59). This definition shows it exists of two terms that fit together. In addition, Johnson, Scholes and Whittington define strategy as the “direction and scope of an organization over the long term, which achieves advantage in a changing environment through its
configuration of resources and competences with the aim of fulfilling stakeholder expectations” (2008, p. 3). A definition of Armstrong integrates these two definitions as follows “strategic HRM is an approach that defines how the organization's goals will be achieved through people by means of HR strategies and integrated HR policies and practices” (2009, p. 29). This definition shows that not only strategies are developed explaining the objectives of the organization which need to be achieved with the aid of human resources, but also implementing actions through policies and practices to be able to achieve those objectives.

Such strategy requires HR specialists working on a daily basis to ensure the objectives are met (Armstrong, 2009, p. 29). However, small organizations often do not have an HR department. Therefore, the general manager often takes the responsibility of all activities which involve the management of its workers (Longenecker, Moore and Petty, 1994, p. 490), even if this person does not have the correct knowledge or skills (Barney, 1991, p. 116-117).

2.1.3 Goals of Human Resource Management
Some of the definitions stated above mentioned that there are objectives to be met. Organizational objectives with regards to HRM are often implicit (Purcell and Ahlstrand, 1994, p. 9). Only larger firms have explicit goal statements (Kersley et al., 2006, p. 65). For organizations who have objectives with regards to HRM, according to Boxall, these can be divided into two categories which are economic and socio-political objectives (2007, p. 56).

Economic objectives
The goal to obtain cost-effective labor refers to having productive labor at a cost which is affordable by the organization. This implies that cost-effectiveness exists out of two main parts which are the need of employees performing effective work that are willing to work for a specific cost (wage) (Boxall and Purcell, 2011, p. 13-15). This can differ per industry. For example, industries wherein little change in costs can affect a firm viability attract less experienced workers (Siebert and Zubanov, 2009, p. 304) whom are paid at or just above minimum wage (Osterman, 2001, p. 70).

Besides obtaining cost-effective labor, organizational flexibility is important as it is inevitable to resist against change. Therefore, organizations need to be able to adapt over time towards the changes they are exposed to. HRM objectives with respect to organizational flexibility can be divided into short and long-term objectives. (Boxall and Purcell, 2011, p. 15-16) The short-term objective relates to the responsiveness to cyclical activities in which the organization adapts e.g. to anticipate unpredictable peaks by attracting seasonal employees (Siebert and Zubanov, 2009, p. 299). The responsiveness also relates to employing employees who are able to combine roles within the organization as well as offering wages in combination with bonuses related with the organization's profitability. This allows the labor costs to be related with the organization's performances (Boxall and Purcell, 2011, p. 16). The long-term refers to the organization's promptness to cope with changes of e.g. technology.

The last economic objective is the human resource advantage which is related to competitive advantage but due to the human resources. An organization holds human resource advantage as soon as they developed a superior capability that is difficult to imitate as a result of the human resources their unique features. (Boxall and Purcell, 2011, p. 17-18) This can also be broken into two parts (Boxall, 1996, p. 70). Human capital advantage refers to have more talented employees
within the organization compared to its competitors, whereas social capital advantages are the ability to combine these talented employees effectively (Boxall and Purcell, 2011, p. 18).

**Socio-political objectives**

It is important to keep in mind that organizations operate within a society with a presence of laws, habits and norms. These ensure the employees are treated well within organizations. Therefore, social legitimacy is related towards HRM as well. When an organization is perceived as not respecting the employees, a negative view on the organization's image can be developed. Social legitimacy does not need to be limited towards employees as it can also take its influence on the natural environment into account. (Boxall and Purcell, 2011, p. 18-21)

Even though management is concerned with social legitimacy, management needs power to be able to meet objectives. This managerial power is needed as they need authority to steer employees and to act effectively in risky situation. Nevertheless, a manager can also exceed its power as they can act in their self-interest which in turn negatively affects the organization. (Boxall and Purcell, 2011, p. 22-24)

### 2.1.4 Perspectives on Human Resource Management

There are two main perspectives within HRM which are the contingency (best fit) and universalistic (best practice) approach. The contingency approach argues that HRM needs to be fit to the organization and its industry to ensure a beneficial impact the performance of the organization (Boxall and Purcell, 2011, p. 69-71). This is in contrast of the universalistic approach which reasons that the organization’s performance can be improved by a set of “best HRM practices” in any kind of situation the organization (Boxall and Purcell, 2011, p. 85). In addition, the universalistic approach assumes that certain practices concerning employee commitment, increasing performance and retention are superior to others (Huselid, 1995, p. 638).

Within this research a main focus is put on the contingency approach as this research assumes that HRM practices need to adapt to the organization’s situation. The contingency view implies that there is a need to adapt HRM practices to three levels which are society, industry and the organization itself (Boxall and Purcell, 2011, p. 71).

**Societal fit**

Societal fit refers to the organization's fit within the characteristics of society in which it is located. This refers to the goal of social legitimacy mentioned previously at socio-political objectives. Evidence proposes that within countries embracing an institutional perspective, labor laws have an important role in influencing the HR practices of an organization (Paauwe and Boselie, 2003, p. 66-67). This can be explained since organizations need to adapt to these laws whom want to be perceived as socially responsible. Furthermore, societal fit refers to the adaptation of national economic and social factors. The organization needs to adapt to the local economic conditions which influences HRM as it is for instance easier to recruit suitable employees in period of an economic downturn compared to a flourishing economy. (Boxall and Purcell, 2011, p. 72)

Besides the economic conditions, an organization needs to take the cultural norms of the country in which it operates into account as well (Boxall and Purcell, 2011, p. 73). Evidence suggests that culture has an impact on HR practices. As an example, Aycan describes that in individualistic countries (such as the Netherlands) people are considered as individuals whom are recruited,
compensated, evaluated and discharged based on their individual skills, whereas this approach is less effective in collective cultures since it can negatively impact its group harmony (2005, p. 1093).

Industry fit
In addition to a societal fit, HRM also needs to be adapted to the industry of the organization. The first broad distinction is the separation between the private and the public sector. These two differ greatly as the public sector is non-profit driven (Boxall and Purcell, 2011, p. 76). Further into the private sector, there is a distinction between manufacturing and service sector. The manufacturing sector is capital-intensive, whereas the service sector is far more labor-intensive. Within the service sector, there is a great difference of industries. There is e.g. a consulting firm existing out of high-skilled and well-paid personnel, but also a discount retailer which employs casual low-paid employees. (Boxall and Purcell, 2011, p. 77) Furthermore, Boxall observed that the more knowledge is required for a specific service, the greater an investment is made in the recruitment, training and compensation of personnel (2003, p. 16).

Organizational fit
Finally, the organizational fit refers to the fit between HRM, the organization’s strategy and its structure. This exists out of two variables that should be taken into account. First, HR should be adapted to the size of an organization. A large organization often has a more developed recruitment procedures as well as providing well-thought training programs compared to small organizations. The second variable relates to the fit of HRM with the life-cycle of an organization. (Boxall and Purcell, 2011, p. 79) A growing organization would have more ease to retain its personnel in contrast to organization with no growth. However, fast growing organizations have difficulties to develop the skill of the employees. (Rutherford, Buller and McMullen, 2003, p. 331).

2.2 Human Resource Practices in organizations

As we just discussed HRM in its broad meaning with defining its goals and perspectives, we will continue towards the practices of HRM. These practices are developed based on the organization’s strategy, goals, and perspectives concerning HRM. This chapter will discuss the main practices in HRM starting from recruitment and selection, training and development, career development, and recognition and rewards.

2.2.1 Recruitment and selection
We can define recruitment and development in two separate elements. Recruitment can be defined as “the process of finding and engaging the people the organization needs” (Armstrong, 2009, p. 515). Selection however is a part of recruitment, it is the part of the process of recruitment that is concerned with “deciding which applicants or candidates should be appointed to jobs” (Armstrong, 2009, p. 515).

Before going deeper in the approach to implement recruitment and selection in an organization, the organization has to decide whether they want to make their own managers or buy their managers (Boxell and Purcell, 2011, p. 197). This means an organization has to look at their long-term strategy as career development can be a substitute for a recruitment strategy and thus an organization has to carefully weigh out their options. This part covers the recruitment side of
acquiring skilled workers. Career development and retention of talented employees are covered later in this chapter.

When starting the recruitment process, organizations need to define first the requirements that the organization has. The requirements to hire employees can be triggered by multiple causes such as, a new department that has been created and consequently a need of more employees, the fact that an organization is expanding in new activities or the need to replace old employees (Armstrong 2009, p. 515) According to Boxell and Purcell, “Firms need to attract and nurture people with the kind of abilities that will make the organization productive in its chosen industry” (2011, p. 194). Failure to do so will cause organizations to stagnate or even fail in their industry due to the lack of competent employees within the organization (Boxell and Purcell, 2011, p. 194). Hunter et al. add that when the complexity of the job increases, the range of human performance does the same (1990, p. 37). In other words when the job is harder to execute, there will be a bigger variety in the individual's performance to execute that job. Where in low-skill work the performance of the job is fairly similar, harder jobs require more skill and thus the gap between different executors of the job and the performance delivered varies a lot (Hunter et al., 1990, p. 37). With taking this phenomenon in mind we can state that selecting the right person for a job can be crucial, this selection process starts when recruiting employees to fill these further jobs. It is in this first defining stage that organizations start to draw up person specifications and skill requirements e.g. before starting the actual recruiting itself.

Recruitment is best considered as the way an organization tries to source or attract candidates that the organization will ultimately select the employees they will hire from (Boxell and Purcell, 2011, p. 195). There is not much research in the field on what is actually the best way to source people for recruitment. However, Windolf defined and identified the channels along which recruitment should be based to get the best results and how to profile candidates that best fit the organization’s needs (1986, p. 235). According to Windolf, key dimensions to a recruiting strategy should include headhunting, advertising and networking to source the best candidates. (Windolf, 1986, p. 240) In addition, Orlitzky argues that some organizations have the privilege due to the fact that they can offer superior pay, training and career opportunities or external factor such as brand reputation can cause organizations to make a so called employee value proposition and thus makes them attract more high-skilled employees which they can select from (Orlitzky, 2007, p. 281).

For small organizations, recruiting is often challenging since they have limited resources as well as many jobs in which employees occupy similar positions simultaneous due to a lack of clear job responsibilities (May, 1997, p. 94). Furthermore, small organizations employing less than 20 employees often use improvised of unorganized recruitment procedures (Windolf, 1986, p. 244-246).

2.2.2 Training and development (Human Resource Development)
The importance of human capital for an organization can’t be denied, especially in the fast food industry where gross margins are low and efficiency of human capital can be a key to success. Competitive pressures have heightened the need for organizations to utilize their human resources more effectively (Milles and Snow, 1984, p. 11). Enhancing human capital to better performance is done by practices that are known under various names such as Training and Development (T&D) “The growth or realization of a person’s ability and potential through the provision of learning and educational purposes” (Armstrong, 2009, p. 535). But also Learning and Development (L&D)
“The planned and systematic modification of behavior through learning events, programs and instruction, which enables the individuals to achieve the levels of knowledge, skill and competence needed to carry out their work effectively” (Armstrong, 2009, p. 535) is a common way to describe the general term of Human Resources Development (HRD).

Human resource activities aimed at training and development of employees can help an organization to educate the workforce in such a way that it enhances employee motivation, improves the workforce’s competences and allows for career development. Many researchers have defined this area of human resources. For this study we have selected some definitions which will be thoroughly presented below.

Development entails with regards to human resource and development as gaining new knowledge, competence and change in behavior that increase the ability to meet respond to change in the requirement of their work and demand of the purchaser of goods or services provided by the organization (Noe et al., 2008, p. 400). Moreover, the training part of training and development is described by Noe et al. of intentionally and predetermined offering of training to increase knowledge and competence that is related to the job at hand (Noe et al., 2008, p. 267). A definition of Walton (1999, cited in Armstrong, 2009, p. 654) states that “Strategic human resource development involves eliminating, modifying, directing and guiding processes in such a way that all individuals and teams are equipped with the skills, knowledge and competences they require to undertake current and future tasks required by the organization”. It is factors like these that can result in an increased competitive advantage which is amplified by Pfeffer who argues that training and development is a key strategic lever in the attainment of competitive advantage (Pfeffer 1998, p. 114).

With regards to the previously defined theory of Human Resource Development, Swanson shows that maximizing the human capital’s potential should be done for the long and short-term benefit to the organization and employee by stating that “Human resource development is a process of developing and unleashing expertise for the purpose of improving individual, team, work process, and organizational system performance” (Swanson 2001, p. 304). Thus, one of HRD’s core beliefs is that human expertise should be developed and maximized within the organization by using HRD processes and should be done as mentioned by Swanson for the long-term and short-term benefits towards the organization issuing the HRD practices but also the individuals exposed to HRD such as employees (Swanson 2001, p. 304).

Cole and Kelly further believe that the benefits of human resource development may be reflected in sustainable competitive advantage, productivity gain, reduced costs and the retention of talented employees (Cole and Kelly 2011, p.509). What is meant by this is that HRD implementation in the workplace causes increased competence to the employees in that same workplace and allows for increased performance within the organization. Whilst there is a cost involved with the implementation of human resource development practices, it also lowers the negative costs and lack of benefits associated and caused by not implementing HRD practices. Implementing human resource development activities on the other hand are resulting in organizational benefits as stated by Becker and Gerhart (1996, p.781). However, HRD becomes truly effective when combined with integrated recruitment and selection processes to select and attract high quality recruits and retaining high-skilled employees in the company (Blackburn and Hankinson, 1989, p.27-29). In addition, Armstrong argues that HRD is implemented to enhance the capability of the
organizations resources (Armstrong 2009, p. 534). This includes the belief that human capital owned by an organization is a major source of competitive advantage.

Further specification of how HRD is delivered to the individual in the way learning is being offered to the individual. Armstrong distinguishes between two types of learning (Armstrong 2009, p. 564). The first one is informal learning which refers through experiment meaning that learning is not done during formal training programs. Further Armstrong mentions that “people can learn up to 70 per cent of what they know about their job informally” (Armstrong 2009, p. 564). The second type is formal learning. This is a planned and systematic way of structured training programs that involves instruction and practice. (Armstrong, 2009, p. 564)

The specific aim here is that companies can implement different training tactics to educate employees. This can be done in formal ways such as job rotation and development which are formal trainings or informal ways such as on the job learning and non-structured educating during work time.

Small organizations often have limited financial resources which results that the costs of training and the time needed to train the employee is taken well into consideration to decide whether or not to provide training opportunities (McRae, Banks, Bures and Champion, 1987, p. 21). Thus, small organizations have less formal training compared to larger organizations. Small organizations often allow employee development due to support of trade associations, offer in-house training or seminars at educational institutions (Cardon and Stevens, 2004, p. 310).

As a substitute of formal training, small organizations offer informal training and organizational socialization. Informal training is an unstructured training during the job instruction which can be described as a more practical form of training. Organizational socialization refers to the socialization of newcomers within the organization which is a process where the newcomers learn how to execute their new position and to adapt within the organizational culture. It both entails formal and informal training. (Chao, 1997, p. 129-133) This socialization process enables newcomers to an increased job satisfaction as well as being more productive (Cardon and Stevens, 2004, p. 310).

2.2.3 Career development
Prior going deeper into career development and its relation to an organization, we must make a clear definition of what a career actually is and what development entails. A career is defined by Collin and Young as “A person’s engagement with society through involvement in the organization of work” (Collin and Young, 2000, p.53). As we can see from Collin and Young’s definition of career, the definition shows an organization has an important role in the development of an individual’s career. We continue with Baruch’s statement that links career even more toward the organization by saying that: “Careers are, to a certain extent, ‘a property’ of organizations, and managed by them as part of HRM” (Baruch, 2004 p.3). Baruch shows in his definition of career that HRM plays a defining role in providing the enhancing of individuals careers towards benefit of the organization.

Having a clear definition of career, we can look further at the definition of career management which is according to Armstrong that “Career management plans and shapes the progression of individuals within the organization in accordance with assessments of organizational needs and
the performance, potential and preferences of individual members of the enterprise” (Armstrong 1992, p. 159). From this definition we can conclude that career management is in place for various reasons such as creating a way to fill the need for replacements of management functions providing individuals within the organization with the tools to complete jobs with higher level of responsibility as well as guiding and encouraging the individual to reach their full career potential within the organization (Armstrong, 1992, p. 159).

Implementing a career management strategy within an organization requires an approach that is beneficial to the organization but also to the individual (Garrow and Hirsh 2008, p.390). Furthermore support should be available to employees that want to develop their skills (Garrow and Hirsh 2008, p.392). Moreover, Armstrong argues that organizations need to develop and identify ways to be able to offer employees career opportunities and by doing so enhancing employee loyalty to the organization (Armstrong 2006, p. 400).

2.2.4 Recognition and rewards
The use of rewards or reward management in an organization is a form of an HRM strategy or policy that is in place to reward employees in consideration with the value they have to the organization. According to Armstrong this has to be done “fairly, equitably and consistently” (Armstrong 2009, p. 736). Reward management in all its aspects is a way to develop and implement a reward system within an organization with the aim to ensure the needs of the organization and its stakeholders in terms of showing the relationship between organization and employee (Armstrong, 2009, p. 736). Implementation of a reward system is done to achieve certain goals such as retaining high-skilled employees and creating motivation and commitment towards the organization. By offering rewards for certain activities or mindset, the organization is able to shape its workforce and aim their commitment in the direction management is planning to go which is for example done by rewarding behavior that the organization finds important and so creating a positive attitude between employee and organization (Armstrong, 2009, p. 737).

Rewards towards employees come in different kinds of manners such as financial rewards of which increased base salary and remuneration bonuses are an example, but also nonfinancial rewards such as training and recognition are forms of rewards. A combination of financial and nonfinancial rewards is also possible. This is known as the total reward system which is defined by Manus and Graham as “total reward includes all types of rewards – indirect as well as direct, and intrinsic as well as extrinsic” (Manus and Graham 2003, p. 12) which means it covers the total scale of rewards an organization can attribute to its employee’s to ensure optimal performance and organizational alignment.

2.3 Human Resource Practices and low-skilled jobs
The amount of information available with respect to policies and practices of low-skilled employees is limited. This indicates this area still requires research in the field of HRM. The literature below derives from the little research that is publicly available. Prior to the practices recruitment and selection, training and development, career development, and recognition and rewards, an overview will be given about required skills in low-skilled jobs and who mostly occupies these positions.
2.3.1 Required skills for low-skilled jobs
Research conducted by Maxwell allowed identifying what is understood by low-skilled jobs within the United States (2006). An outcome of this research is that most low-skilled jobs are located within the service sector which accounts for 40% of all low-skilled jobs within the United States. Furthermore, he confirms that low-skilled jobs require less skills compared to high-skilled employees. This requirement of fewer skills can be an explanation of the lower requirements of employer to fill a certain position. This is with respect to demanding little work experience and the minimum requirement of having a low educational background. Nonetheless, as there are certain requirements by the employer to be able to applicable for certain work, there is a distinction between low-skilled and unskilled jobs. (Maxwell, 2006, p. 3-5) It is important to keep into account that the low-skill labor market cannot be regarded as one market. It is in fact a market existing out of a great variety of low-skilled jobs varying from hospital staff to personnel of a discount retail store (Osterman, 2001, p. 69).

In order to be applicable for low-skilled jobs, some skills are required. Low-skilled jobs often require mechanical knowledge, the ability to operate and control, and physical abilities. In addition, knowledge of basic level in the country’s native language and math is required. The employees must also be able to communicate and have some skills in problem-solving. Most of the employees in such jobs also need to be able to work with their colleagues (90%) and are in direct contact with the customers (60%). (Maxwell, 2006, p. 8)

2.3.2 Identified low-skilled employees
Maxwell was also able to identify the workers whom mainly occupy the positions of low-skilled jobs. He identified two groups as an outcome of this research. The first group is youth. Youth often have a low educational level as well as little work experience. However, youth are partially temporary within this market until they have a higher education degree or more work experience which allows them to become eligible for positions in jobs requiring more skills. (Maxwell, 2006, p. 9)

The other group exists out of people whom have an economic disadvantage. This group is composed of people whom have stopped their education and that had irregular working experience. Furthermore, youth that stops to continue their education and have difficulties to integrate in the labor market get stuck in low-skilled jobs and become part of the group existing out of economically disadvantaged. People who are part of this group remain to stay within this labor market. (Maxwell, 2006, p. 9)

2.3.3 Recruitment and Selection
It is important for organizations to be able to attract applicants prior starting to select the suitable person for the job. Organizations need to set up recruitment and screening methods to be able to determine the appropriate applicants. Organizations in the private sector weigh the costs involved with recruiting employees against the ability whether the employees need to perform tasks which can be easily thought. For this reason, in the case of low-skilled jobs, organizations use low cost recruitment methods as the employees can easily attain skills needed to be able to perform their tasks. (Maxwell, 2006, p. 73)
Organizations recruiting low-skilled jobs also value the information of the applicant as important. They prefer to be able to have accurate information of the applicant allowing assessing the provided information of the applicant. (Maxwell, 2006, p. 73) Furthermore, Maxwell discovered in his research that greater part of the organizations from the database researched use networks to recruit applicants (2006, p. 77). In this way, the organizations rely on referrals or networking in a verbal manner to be able to gain an affirmation of the skills of the potential employee (Maxwell, 2006, p. 77). In such way, employers also inform their employees of new job openings to gain applicants which also allow limiting costs (Granovetter, 1995, p. 81). Another way how organizations gather potential applicant for low-skilled positions is to use mass marketing to advertise job openings to gain a large pool of potential applicants. However, this method is mostly done when the organization requires specific skills in the low-skilled job position (e.g. customer communication). (Maxwell, 2006, p. 76) The method of networking or other recruitment methods like companies providing temporary personnel and newspaper (Maxwell, 2006, p. 76) are mostly applied when the organization applied when requiring simple skills (e.g. local language) (Maxwell, 2006, p. 80)

The selection of the applicant is mainly done through screening the presence of specific skills by looking through the education level and previous work experience (Maxwell, 2006, p. 74). The importance of screening also depends on the recruitment method applied. When using mass marketing to gather job applicants, screening will be applied extensively, whereas in the case of networking and approaching organizations who provide temporary staffing only little attention is paid to screening as the organizations can more easily access information of these potential applicants. (Maxwell, 2006, p. 81)

### 2.3.4 Training and development

Training provided by organizations towards the employees is seen as a tool to increase its productivity (Ramos, Rey-Macqueira and Tugores, 2004, p. 57). Concerning studies towards training provided by the employer, the main focus is put on the workforce as a whole. There are only few studies which had a focus on training by the organization of low-skilled employees. (Asplund and Salverda, 2004, p. 10) As mentioned previously in 2.3.3, organizations use low cost recruitment as they need employees for tasks which skills can easily be attained (Maxwell, 2006, p. 73). This shows that there are organizations that invest in training their employees. Nonetheless, this is mainly to attain the skills to be able to perform their current position (Maxwell, 2006, p. 73). There are also organizations who offer training to their employees to enhance their skills allowing promoting them internally within the organization (Maxwell, 2006, p. 92).

However, investing in training does not always lead towards benefits of the organizations. A research by Krueger and Rouse focuses on two organizations, one in the manufacturing sector and the other in the service sector in the United States, lead to findings in which a training program had little effect on the organization is profitability in the service sector (1998, p. 91). Moreover, Fougere, Kramarz, and Magnac showed that low-skilled youth in France whom received training did not gain any benefits from it as their salaries and chances of employment do not increase after attending the training programs (2000, p. 940). Maxwell also discovered that employees do not feel motivated to attain a new set of skills if there are no incentives such as large wage increases paired with a promotion (2006, p. 92).
2.3.5 Career development

Only little research on the topic of career development has been executed (Osterman, 2001, p. 78). There has been a research on youth starting their career in the low-skill labor market which studied if there was a negative consequence (Klerman and Karoly, 1994, p. 46). The research concluded there were some occasions in which it was not possible to develop a career. However, it is important to keep in mind that youth is often only temporary within this market since most continue their studies and gain more working experience as mentioned previously (Maxwell, 2006, p. 9).

Maxwell concluded in his research that low-skilled entry level jobs offer opportunities to grow in the organization, but it requires the workers to expand their skills (Maxwell, 2006, p. 3). However, as briefly mentioned in 2.3.4 employees do not feel motivated to attain new skills if there are no large wage increases paired with a promotion (Maxwell, 2006, p. 92). For this reason, only few employers provide an internal career ladder in the organization as they are not confident whether the training aids in providing candidates who are fit for a position one step up the ladder (Maxwell, 2006, p. 92). Nonetheless, certain organizations are able to cope with this challenge as they structured the organization in such a way that the position on the next step of the ladder is an expansion of the skills the low-skilled employee has at the time (Pergamit and Veum, 1999, p. 600). This obsoletes the necessity to learn completely new skills. Furthermore, a research by Sanders and de Grip shows that participation of low-skilled employees in training programs increases the chances to become promoted, even when the employees do not have any expectations (2004, p. 85). These outcomes show that training has an important role to be able to grow within the organization.

2.3.6 Recognition and rewards

With regards to recognizing and rewarding low-skilled employees, only very little conducted research is available. In fact, only one study is found in our search to non-financial incentives focused on low-skilled employees. Concerning financial rewards, no study was found aimed on low-skilled employees. This could be explained that low-skilled employees mostly earn minimum wage or slightly above in return for their work (Osterman, 2001, p. 70). Another explanation for lack of studies with regards to financial incentives could be due to the fact that sectors which employ low-skilled workers could be prone to little increases in costs as it would affect their viability (Siebert and Zubanov, 2009, p. 304). Furthermore, a study by Edwards, Sengupta and Tsai of low-skilled workers in a manufacturing company found out that the employees are aware of working in low-paid jobs with no opportunity for growing within the firm leading to no expectations with regards receiving rewards (2009, p. 55-56).

A research conducted by Bolvig et al. mentioned that the fact of being employed already offers non-financial incentives by stating that “Among them are non-financial rewards e.g. social status and social contacts” (2007, p. 108). However, a study conducted by Taljaard showed the presence of non-financial rewards to low-skilled employees within an automotive component industry (2003, p. 206). The organization offered rewards through formal and informal recognition of good performance verbally or with a certificate. Moreover, the organization offered symbolic gifts and rewarded the best employees with by naming them employee of the month (Taljaard, 2003, p. 206).
2.4 Employee Retention

Chew and Chan argue that retention can be seen as a goal of the organization. In fact, they state retention of committed workers “as an aspect of survival for organizations” (2008, p. 504). Thus, it can be assumed that retention is important as it will ensure the organization will not lose its employees. Losing employees is a burden as new employees need to be found rapidly to fill the empty position. In addition, it is costly as it requires effort to attract and recruit a new member in the organization. Furthermore, it will also require some time and or training until the new employee has reached its peak in productivity. (Phillips, 1990, p. 58)

We will first start by explaining retention as a strategy. Afterwards, retention will divide into two parts, skilled employee retention and low-skilled employee retention. As discussed previously, we have noticed organizations approach these two groups in a different approach when it comes to HR practices. Therefore, we continue by separating these groups as each group might require different approaches to increase retention.

2.4.1 Retention strategy

It is difficult to retain all the employees within an organization. There is always presence of opportunities external of the organization an employer cannot take into account. In such a situation, it is best to congratulate the employee with the opportunity (Porter, 2011, p. 60). This makes it difficult to minimize retention as much as possible. However, a retention strategy allows identifying the risks and reasons why employees leave allowing addressing the identified issues to minimize retention (Armstrong, 2009, p. 503-504).

When an organization wants to develop a retention strategy, it needs to analyze the risks involved at first. This would imply that the organization needs to look into the likelihood how often turnover would occur, the effects on the organization as soon as a person has left, and the effort that needs to be done to find a replacement. To do this thoroughly, the organization should execute a risk analysis for each employee to be able to identify to most valuable employees that need to be retained. (Armstrong, 2009, p. 504)

After the risk analysis, the organization has to look into the arguments of the workers which led them to leave. This can be done through exit interviews or questionnaires. When being aware of the reasons, it is possible to start looking towards solutions allowing increasing retention of the employees. (Armstrong, 2009, p. 504)

2.4.2 Skilled employee retention

Armstrong identified the main factors that influence retention (2009, p. 503). He divided a career of an employee in three parts and identified the main factors influencing the intention to stay. First, for early-career employees up to 30 years, career development is most important. This is followed by mid-career workers aging from 31 up to 50 years where job satisfaction and the opportunity to manage their own career are the main factors. The last group which are the late-career employees of 50 years and older would mostly value job security. (Armstrong, 2009, p. 503) Armstrong also identified other factors which would influence the intention to stay are the image of the company; recruitment, selection, and positioning; work relationship with superior; opportunities to learn new or developing existing skills; and recognition and rewards (2009, p. 503). Besides these factors,
Holbeche also identified that providing challenging assignments, self-assessment, feedback, and a tutor would aid to retain key contributing workers (1998, p. 265).

In addition, Armstrong identified most common reasons for leaving. These vary greatly, but most of these can be addressed. The reasons can be personal (e.g. pregnancy or emigration), being bullied or harassed, bad work relationship with a superior, no connection with colleagues, unable to manage the work, a higher salary, career development opportunities, ability to develop skills, better working conditions, and job security. (Armstrong, 2009, p. 504) There are many reasons that can lead to the intention to turnover. However, being aware of these reasons allows developing and implementing practices to ensure the employee does not see any reasons to leave.

There are measurements how these can be prevented. With regards to bullying and harassment, it is important the organization has clear policies to control this issue. In addition, it is possible to develop a social connection between the employee and the organization (Cappelli, 2000, p. 19) where the worker becomes friends with its colleagues. The organization can also provide training and aid the workers in being able to manage their work. Concerning, working conditions and personal reasons, practices to improve work-life balance can be introduced that allow the employees e.g. flexibility with working hours, to work on distance or trying to limit stress. (Armstrong, 2009, p. 504).

In recruitment and selection, managers also take into account how the potential employee fits within the organizational culture (O'Reilly, Chatman and Caldwell, 1991, p. 510-511). This person-organization fit allows a better organizational commitment which decreases the turnover intention (Vandenberghe, 1999, p. 176). In addition, a focus on the selection of new personnel ensures the potential applicants are able to meet the work requirements. This also accounts for promotions within the company as it will prevent turnovers based on poor selection and career development practices. Moreover, personnel having superior roles should be carefully selected and trained to ensure they lead their teams well as this can prevent staff leaving due to bad working relations with the superior. Allowing workers to be challenged and to keep learning, the organization can design the positions to provide important tasks with autonomy and control over their own work with feedback afterwards. Also opportunities to work on projects in which the person can identify can engage the employee. (Armstrong, 2009, p. 504)

Remuneration is also important for an organization. Therefore, some organizations provide remuneration packages which are higher than the average on the market (Parker and Wright, 2000, p. 72). Financial incentives such as stock options and bonuses can convince a worker to stay (Parker and Wright, 2000, p. 73) However; recognition of good performance such as a pat on the shoulder for good performance can also influence to remain at the organization (Chew and Chan, 2008, p. 507).

### 2.4.3 Low-skilled employee retention

Employers can have two different views on low-skilled employee which affect the approach in how the managers address retention. The first view is that the organization see low-skilled workers as a never ending supply of workers whom all are able to do work as they are supposed to. Therefore, employers would not provide any job security as they are easy to replace. Employers with this view also do not provide any opportunities to develop further within the organization. The employees would also receive low salaries. (Maxwell, 2006, p. 26-27). Thus, this view can be
seen as perception that little to no activities need to be done to attain personnel as are easily replaceable.

The other view regards low-skilled workers as workers whom have certain skills allowing to be able to execute the tasks of the job as well as being able to develop the skills. Such skills could even be honesty and reliability. Moreover, employers would even be willing to pay higher wages and it would it is not uncommon to develop incentives to retain these employees. (Maxwell, 2006, p. 27-28) Unlike, the first view, this perspective is more likely to conduct retention practices.

With regards to recruitment and selection, there are little practices in search of the most appropriate candidate to lower the employee turnover. The available information discusses how managers receive applicants and the selection procedure (Maxwell, 2006, p. 9). However, no attention is put on increasing retention.

A study of Krueger and Rouse discovered that training programs in the service sector only had a negligible impact on the retention as the trainees were equally likely to leave the company as employees who were not part of a training (1998, p. 88). However, when the employees were part of training, it is more likely the employer provides opportunities to promote internally as they retain to keep these skills within the organization (Sanders and de Grip, 2004, p. 85). Training and career development are often related at low-skilled jobs. Mostly, training refers to expanding skills to a level that makes the employee a fit candidate for promotion (Maxwell, 2006, p. 3).

As stated earlier, there is little knowledge of organizations providing financial incentives to retain its personnel. As these jobs are often located in sectors with in which little change in costs can affect a firm viability attract less experienced workers (Siebert and Zubanov, 2009, p. 304). Therefore, it can be assumed that organizations do not consider financial incentives as a tool to enhance retention. However, organizations do use non-financial incentives in various forms such as employee of the month, recognition and symbolic gifts (Taljaard, 2003, p. 206).

As a result of high employee turnover, Sandman discovered that several franchises of McDonald's in the Netherlands have introduced exit interviews of leaving personnel. In addition, these franchises have also introduced job evaluation conversations to exchange feedback. (Sandman, 2008, p. 13)

2.5 Individual Perceptions

As organizations aim to retain its employees through various practices, it is also useful to be aware what factors influence the intention of the worker to leave. In this way, both the employee and employer perspectives are discussed allowing an understanding of both sides of the story. Firstly, turnover cognition is addressed which is followed by theory on the psychological contract.

2.5.1 Turnover Cognition

According to Sager, Griffeth and Hom turnover cognition refers to “a mental decision intervening between an individual's attitudes regarding a job and the stay or leave decision” (1998, p. 255). Often variables such a job search, perceived job alternatives and intention to leave the organization have an impact on the turnover cognition (Hulin, Roznowski, & Hachiya, 1985, p. 234-235). Therefore, these variables affect the employee's decision to stay or not.
Perceived job alternatives imply both internal job alternatives within the organization as well as external alternatives outside the organization. A job search relates to voluntarily action to identify and commit towards new employment. The stage prior to turnover (leaving the organization) is mostly the intention to leave. Previous research on psychology with regards to turnover studied by Mobley indicated that perceived job alternatives by the employee lead towards the intent to leave through the intent to start a job search (1977, p. 239).

2.5.2 Psychological contracts
In addition, to external factors influencing the decision to leave as described above in the section about turnover cognition, psychological contracts influence the intent to leave due internal reasons.

Psychological contracts are tacit subjective contracts in nature that exist in the eye of the beholder (Suazo, Martinez & Sandoval, 2009, p. 155) According to Rousseau, “the psychological contract consists of individual beliefs regarding terms of an exchange agreement between individuals and their organization” (1995, p. 9). Psychological contracts exist out of two main aspects of the relationship between the employer and employee. Firstly, the psychological contract is built upon demands from both the employer and the employee. The demands of the employee are based on its perception of what the employer is obligated towards them. In addition, the employees have a perception in what their own obligations are towards their employer in how they should contribute (Rousseau, 1995, p. 27-36). The other aspect is that research with regards to psychological contracts showed that as a consequence of fulfilling these demands, employees feel more committed toward their work which makes it more likely for them to choose to stay within the company. (Rousseau, 1995, p. 60)

This allows assuming that employees will respond negatively towards the psychological contract as soon as the person has the perception that the employer did not meet its obligations. This is confirmed by previous studies which have looked at the effect of breaching a psychological contract. A study of Zhao, Wayne, Glibowski and Bravo wherein a meta-analysis was conducted explored a relation between negative responds after the perception that the employer breached the psychological contract which lead to thoughts such as intention to leave and turnover (2007, p. 667).

2.6 Summary of the theoretical framework

Figure 1 below is made by both authors Fabian and Ro which shows a clear overview of the main factors which are related to retention of employees. We have developed this as a summary of the theoretical framework in this research providing a clear overview of the most important findings in the literature review. It starts with HR strategy as this describes and develops a strategy that would consequently lead towards achieving the organization’s objective. As mentioned prior, employee retention can be seen as an objective as it is seen “as an aspect of survival for organization” (Chew and Chan, 2008, p. 54). Thus, the organization would develop a retention strategy allowing developing a plan to meet this objective. This retention strategy needs to be aware what needs to be addressed within the organization before developing practices. Therefore, the organization needs to learn from this issue through e.g. exit interviews.
Moreover, according to the contingency approach, the best practices differ on the situation. Therefore, numerous factors can influence in what would be the most suitable way to retain the employees. In line with this approach, an important factor is different implementations of practices when it comes to skilled and low-skilled employees. These main practices can be easily compared in figure 1. These are divided into four categories which are recruitment and selection (R&S), training and development (T&D), career development (CD), and recognition and rewards (R&R).

Figure 1. A summary of the theoretical framework made by Fabian Vuik and Ro Van den broeck.
3. Research Methodology

This chapter will explain in-depth how the objectives of this research can be obtained and the justifications of our method to meet those objectives (Saunders, Lewis and Thornhill, 2009, p. 47). Therefore, this chapter will start with the preconceptions and the reason why we have chosen this topic. Then we commence with the methodological assumptions, strategy and research design. Afterwards, we will continue with the description of the empirical material collection method and source criticism. Finally, we will discuss the quality criteria and the ethical considerations of this study.

3.1 Preconceptions

Both researchers have experience in being employed in low-skilled work. Ro has been employed in low-skilled jobs which have experienced as repetitive work whilst being paid minimum wage. In addition, managers did not seem to put any interest in the employees. At one point, some employees did not show up and the supervisor did not even bother asking why. Fabian has had experience in low-skilled work in the food and service sector as a summer job. Due to the nature of repetitiveness of the work in the business, the business experienced high turnover of employees and high sick leave. The owner kept re-hiring and motivation and teamwork in the organization took a big hit. In the end, the employer didn't bother teaching the employees how to do their job because they would leave within a month anyways.

Out of these experiences we still believe that managers should be able to have a different approach towards managing the low-skilled employees. We believe that a change in management style would both benefit the organization and the employee.

Considering the educational background, both Fabian and Ro have finalized a bachelor degree in international business management prior starting at Umeå. During this period, not only theoretical knowledge with respect to HRM was gained but also practical experience as both were involved in a project which implied establishing a profitable organization over a duration of two semesters. Within these organizations, both researchers were appointed to a managerial level in which they were confronted managing colleagues lower in the hierarchy. In addition, the bachelor degree obtained by us was fully taught in English. Furthermore, both of us have studied in Canada as part of our bachelor. The practical experience obtained included jobs abroad giving us the required proficiency in English for conducting this study.

These experiences and knowledge allow us to have an understanding the situation of being employed in low-skilled jobs as well as having gained a theoretical background relevant theory combined with experience gained from the field during our previous education. For this reason, we believe to be able to bring forth a good outcome to this research.

3.2 Choice of subject

We have chosen this subject for several reasons. First of all, we both have gained an experience in being a low-skilled employee as mentioned in the preconceptions. Based on this experience we wondered how managers address low-skilled employees. We already developed our own impression based on our experience, but we were wondering whether this was a common approach.
In addition, our decision to focus on the Netherlands is primarily due to our background. Fabian has Dutch nationality whereas Ro grew up in the Netherlands. Furthermore, only little information was available on this topic in this country. Therefore, it was a perfect to broaden knowledge on low-skilled employee retention in our home country.

Moreover, we had chosen the fast food industry as we had identified in the background of this research as an industry employing low-skilled employees whilst having difficulties to retain the workers. This allowed a suitable setting for our research to broaden knowledge on how employee retention is addressed by managers. Finally, Fabian’s father is a subcontractor of a Dutch fast food chain named Verhage fast food. This allows getting in contact with the organization and receiving approval to study this organization relatively easily.

### 3.3 Methodological assumptions

This research is conducted with regards to an ontological view of constructionism meaning that “social phenomena and its meanings are continually being accomplished by social actors” (Bryman & Bell, 2011, p. 22). We regard in this study an organization as a social structure which relays on the social actors within its context. Therefore, the organization is dependent on the main social actors within.

We consider low-skilled jobs as a social construction since it is a concept which has no fixed understanding. In fact, there is no universally accepted definition of low-skilled job (Bertozzi, 2010, p. 10). It can be explained according to the individuals perception as low-skilled can be defined in various ways depending on the perception whether skills for a specific job are regarded high or low (Jansen, 2000, p. 10).

Furthermore, we also regard employee retention as a socially constructed concept. Even though that retention has an accepted understanding in its meaning, we believe that employee retention cannot exist without social actors. Without the presence of the employees there is no meaning to employee retention as it refers to retain the employees within the organization (Business dictionary, 2013) in which the employees are seen as the social actors. Therefore, it is important to consider the perception of the social actors within this study to be aware of their view on the terms described above.

Concerning the epistemological view, a focus is laid on interpretivism which is stated according to Bryman & Bell that “the social scientist to grasp the subjective meaning of social action” (2011, p.17). As mentioned prior, we have embraced a constructivist view that with the understanding in this research that the concepts are socially constructed and consequently dependent on social actors. Therefore, it is important to try to get an understanding on the perception and the motivation of the actions of the social actors involved within our research.

This is also in accordance with our purpose as it enables us to explore the managers' (the social actors within this research) view on employee retention. Furthermore, studying the managers' subjective meaning in addressing employee retention enables to develop an insight in how this understanding leads to the development of practices to encourage or discourage retention within their organization.
3.4 Research Approach

We speak of an inductive approach as we aim to develop theory as an outcome of our research (Bryman & Bell, 2011, p. 27). As it is our aim to develop theory, we will firstly gather and analyze existing literature relevant to our topic. Afterwards, empirical material will be gathered with the aim to gather new insights on low-skill employee retention. This allows us to analyze our empirical material gathered with existing literature on this topic from which theory will be developed. This generation of new theory aims to provide a better insight on low-skilled employee retention. Nonetheless, even though the aim is to develop theory, our approach is not entirely inductive as we use existing theory to analyze the empirical findings which is more related towards a deductive approach. However, the theory cannot fully cover our topic as there is little existing theory consisting low-skilled employee retention which relates to an inductive approach. Therefore, our study has both characteristics of an inductive and deductive approach. However, as our research is primarily focused on contributing towards existing theory, we embrace the inductive approach as being dominant in this study.

3.5 Research method

The collection of empirical material will allow us to develop theory on low-skilled employee retention. We have chosen to apply qualitative research to gather the required empirical material that will be later analyzed with relevant literature. The choice of qualitative research is due to the ability acquire an insight in how individuals see the social world (Bryman and Bell, 2011, p. 27). Therefore, qualitative research allows us to grasp the subjective meaning on our topic. This can provide new insights that can lead to the development of theory. In qualitative research one can choose a variety of different techniques to acquire empirical material; however one could also acquire empirical material by focusing on one particular technique (Saunders, Lewis and Thornhill, 2009, p. 151).

In our study we will make use of the semi-structured interview type of empirical material collection which will be achieved by conducting semi-structured interviews on an individual level. Semi-structured interviews allow digging into the answers provided by the interviewee to understand the meaning of the interviewee how they view social phenomena (Saunders, Lewis and Thornhill, 2009, p. 324). Furthermore, this allows us to gather valuable empirical material as this can lead to discussions into areas which might now have been taken into consideration (Saunders, Lewis and Thornhill, 2009, p. 324). Such insights could attribute in providing new theoretical contributions.

However, applying semi-structured interviews implies some complications considering the quality of our research. These threats towards the quality are concerned with the bias of the interviewer, reliability, validity and generalisability (Saunders, Lewis and Thornhill, 2009, p. 326). Nonetheless, measures will be taken to overcome these threats towards the quality of this research which will be explained further in detail later in the methodology chapter.

3.6 Choice of theory

The theory within our research is mainly related with Human Resource Management. Our research aims to provide a theoretical contribution to the field of low-skilled employee retention from a manager’s point of view. Therefore, the main focus is laid on gathering existing theory on the
management of employees within an organization. HRM is our main theorem as “HRM refers to all those activities associated with the management of work and people in all organisations” (Boxall and Purcell, 2011, p. 1). It starts with a general overview of HRM followed by describing the role of strategic HRM. This is narrowed down towards a chosen perspective within HRM to our research. From there a step towards the practices of HR for skilled and low-skilled workers is made. These practices are divided into the themes recruitment and selection, training and development, career development, recognition and rewards, and leaving the organization. This is followed by explaining the available literature on known taken measures by managers with regards to employee retention concerning skilled and low-skilled employees.

We have chosen for these themes as these themes exist out of practices which common to obtain retention in an organization according to research done in the field of retention by (Clarke, 2001; Stein, 2001). Recruitment and selection is relevant towards achieving retention as in this phase the manager can ensure a new employee fits towards an organization. This fit between the employee and the organization enables organizational commitment with limits the intention to leave (Vandenberghhe, 1999, p. 176). Concerning training and development, and career development, studies have shown that meeting the employees’ strive to climb up the corporate ladder by providing training and opportunities to develop within the organization positively affects organizational commitment which enhances the retention of employees (Detoro and McCabe, 1997; Marchington and Wilkinson, 1997). Furthermore, recognizing and rewarding performance allows employees to feel their efforts being appreciated increases the intention to stay within the organization (Davies, 2001, p. 55). Finally, the theme leaving the organization is concerned with receiving feedback of employees due to which reasons they leave an organization. When the organization is aware of what influenced an employee to leave, solutions can be developed which can enhance the retention of current and future employees (Armstrong, 2009, p. 504).

By starting from a broad perspective and continuous narrowing down to towards practices directly aimed towards the realization of retention, we have an overview of a broad range of theory on HRM to ensure the ability to analyze relevant theory with unexpected insights from the collected empirical material (Saunders, Lewis and Thornhill, 2009, p. 140).

In addition, we briefly mention the perspective of the employees' side to be aware of their cognitive process with regards to retention. Therefore, turnover cognition is discussed in short to attain an impression in the cognition of the individual which could lead to the intention to leave an organization (Sager, Griffeth and Hom, 1998, p. 255). Furthermore, we briefly mention theory on psychological contracts (Suazo, Martinez & Sandoval, 2009, p. 155). This theory refers to the expectations from an employee perspective. This will assist in analyzing the ethical consequences of the outcome of this research from an ethical point of view on the employees’ side.

3.7 Source criticism

First and foremost, we must acknowledge that the researcher has an interpretative stance in this research. This will consequently mean the researcher can interpret gathered literature which could be written from an interpretative stance by the author. In addition, the researchers will interpret concepts and theories itself. (Bryman and Bell, 2011, p. 20) Therefore, the role of the authors of the gathered literature must be considered to be aware of their interpretation.
The literature has mainly been derived from academic journals through acknowledged databases EBSCOHost and Emerald. Next to academic journals, information is also derived from books relating to HRM. We have chosen for such a combination to have a combination from research outcomes attributing to the management of human resources from academic journal and a foundational knowledge of HRM through relevant books. In addition, we have collected other literature through consulting references of the literature derived from the databases. This allowed us to find additional relevant information to our study. Furthermore, in this way we were able to access the source from which the information was derived to avoid the interpretation on the second level, which entail interpretation of the interpretation of another author on the theory or concept (Bryman and Bell, 2011, p. 20).

Unfortunately, the databases provided little information with regards to low-skilled employee retention. Therefore, other sources than the databases above have been used in search. This is mainly through search on the internet in general. However, only academic work and research from internationally known organizations e.g. World Trade Organization and European Union has been taken into consideration. These material deriving from such known organizations were created with the purpose to create an overview of either the fast-food sector in Europe to increase the understanding of the situation of low-skilled employees Europe. Therefore, we have used those sources which a similar purpose meaning that they have been used in for the background of this research to provide an overview to the readers of the fast-food sector and what low-skilled work entails.

In our search to this literature, specific keywords have been used in combination and on its own. These keywords are: “low-skill”, “employee retention”, “HRM”, “fast food” and “employee turnover”. Also other similar keywords are used that are synonyms e.g. labor retention instead of employee retention.

The found articles have been primarily screened on the relevance towards our research. Therefore, we have pre-screened the articles by firstly looking towards the abstract. If the article seemed relevant based on the abstract, we continued by looking at the discussion and conclusion. In this way, we have identified whether these articles provided additional relevant information towards our topic.

During the search towards literature which fits towards our topic, we also reviewed the literature of which we thought would attribute to our research. This to see whether the information within the source was biased through the author. Moreover, we also we through the methodology to see how the research was conducted.

Concerning the age of the literature, as HRM is a concept which exists for over fifty years, we tried to limit addressing literature which has been published in the last twenty five years. However, we felt some literature which was published prior has an added value towards our research. Therefore, we took the decision to use this source of information to allow a complete overview on HRM. Concerning literature of low-skilled employee retention, the aim was to put an effort in deriving information as recent as possible. However, due to the little information we had to loosen this requirement to be able to gather theory that has been primarily published in the last fifteen years.
The literature which has been primarily used in the literature review consists out of two main books focused on Human Resource Management. One book is titled *Armstrong’s Handbook of Human Resource Management*, which is written by Michael Armstrong and a book titled *Strategy and Human Resource Management* written by Peter Boxall and John Purcell. Furthermore, the main source of information with respect to management on low-skilled employees is derived from a research conducted by Nan Maxwell which titles *The working life: the labor market for workers in low-skilled jobs*. The choice of Maxwell’s research as the main literature source for low-skilled employee retention is based on the reason that this is one of few sources that view low-skilled employee retention from the employers’ perspective.

### 3.8 Research design

This research will be exploratory as there is still little information available when it comes to employee retention of low-skilled workers. In addition, exploratory research aims to provide new insights, ask questions, and look and assess this in a new light (Robson, 2002, p. 59). Moreover, Saunders, Lewis and Thornhill state that semi-structured interview can be used in combination with exploratory research (2009, p. 322). Finally, by interviewing from a manager’s perspectives, we will interview experts since their daily work involves managing employees within the organization. This is according to Saunders, Lewis and Thornhill a principle way for exploratory research (2009, p. 140). Therefore, exploratory research leads towards collecting new insights and consequently enabling a theoretical contribution.

An implication is the need to be flexible within this research as new empirical material can provide new unexpected insights (Saunders, Lewis and Thornhill, 2009, p. 140). Therefore, we take this into account by not developing a fixed narrow outline concerning employee retention of low-skilled workers. By focusing on the broad topic of employee retention in the theoretical framework as mentioned in the choice of literature, we are aiming to able in analyzing all the new insights of the gathered empirical material. Even when some new insights are unexpected, we will able to analyze this empirical material as we have a broad prospect on employee retention. In this way, the focus is initially broad, but it will become narrower further along our research (Saunders, Lewis and Thornhill, 2009, p. 140).

#### 3.8.1 A case study design

The choice of a research design is important to our study as it will provide a framework on how the empirical material will be collected and analyzed (Bryman & Bell, 2011, p. 40). The chosen strategy will enable to answer the research question and the objectives. Our choice of a fit framework is based on our research question, objectives, the existence of knowledge on this topic and the time available which is also argued by Saunders, Lewis and Thornhill (2009, p. 141). This framework will guide us through the collection and analysis of the empirical material in our research.

As mentioned previously, our research is aimed to develop theory on low-skilled employee retention. With this aim in mind, we have chosen to apply qualitative research. More specifically we will apply semi-structured interviews to gather greater understanding on the research participants’ view on social phenomena studied. For these reasons, we have chosen for a case study design. According to Orum, a case study entails that “that a particular phenomenon is examined intensively for the light that it can shed on a specific problem or question” (2001, p. 1509). This
phenomenon is in our case how managers address employee retention of low-skilled employees. Morris and Wood also argued that case studies allow deep understanding of the research context and the processes related to it (2002, p. 260). In addition, Saunders, Lewis and Thornhill state that “a case study strategy can be a very worthwhile way of exploring existing theory” (2009, p. 147). These arguments fit in our aim to collect empirical material providing new insights which can be further analyzed with existing literature allowing providing a theoretical contribution.

3.8.2 Choice of a Case
With respect to a case study, we have chosen to focus on an organization to allow research on our chosen topic. We have chosen for an organization as a case which is active within the Netherlands as there is little information available with regards to low-skilled employee retention available on this market. Furthermore, we mainly focus on the fast food industry since we have identified employee retention of low-skilled workers as a burden in this specific industry within the Netherlands described earlier in the background chapter of this research. Furthermore, as mentioned in the choice of topic, Fabian’s father has a connection with Verhage on a professional level which has developed in a friendly business relationship over the years. However, on business level, the researchers Fabian and Ro never had contact with Verhage prior to this research.

This has led us to Verhage fast food (Verhage), a fast food franchisor solely operating within the Netherlands. Verhage has been established in 1967 in Rotterdam, the Netherlands (Verhage – Geschiedenis, 2013a) and became a franchisor in 1988 which entails that independent entrepreneurs open a fast food restaurant under the Verhage franchise brand (Verhage – Franchise, 2013b). In 2013, Verhage has opened its 37th franchise (Verhage – Nieuwe Vestiging, 2013c). A clear profile of Verhage will be provided in the empirical chapter.

3.8.3 Choice for the type of case study
An implication is that each franchisee is an independent franchise owner, this person is responsible for the management of their own personnel (Verhage – Vacatures, 2013d). Furthermore, Yin argues that multiple case studies can be preferred above single case studies and that a choice for a single case study will need strong justification (2009, p. 48). Therefore, this study will acquire a multiple case study as this will allows studying several franchises of Verhage through a study on each franchise.

In addition, as mentioned previously, we regard an organization as socially constructed depending on social actors. Thus, each case studied will be unique in its own as the social actors as well as the environment differ for each organization even though the franchises are active within the same industry. For this reason, applying a multiple case study enables us in gaining plural insights in how different entrepreneurs view and address employee retention.

3.9 Developing an interview guide
After our decision to choose Verhage as the subject of our multiple case study, we needed to make considerations on how to approach the company and ask for cooperation in order to collect the necessary empirical material. Prior to be able to start the collection of empirical material from our interviews we needed to establish contact with Verhage.
Our first priority was creating an explanatory document which would allow us to describe in detail what the purpose of our research would be and the contribution that Verhage could bring to our research. Secondly, we asked if we would have permission to use Verhage and its name as a subject to our study and if it would be possible to have an interview with the CEO and/or HR manager this with the purpose of establishing an accurate background of Verhage as an organization and the current HRM practices in place which would contribute to answering our research question.

After receiving permission to use Verhage as a multiple case study and setting a time and date for the interview with the HR manager face to face and the CEO by telephone (for more information see table of respondents) it was our task to set up an interview guide to make the process of the collection of empirical material as easy as possible. According to Bryman & Bell, an interview guide refers to “the brief list of memory prompts of areas to be covered that is often employed in unstructured interviewing or to the somewhat more structured list of issues to be addressed or questions to be asked in semi-structured interviewing” (Bryman & Bell, 2011, p. 473). Our interview guide was send by email and consisted of the purpose of our research and the role of Verhage and the interview plays in answering our research question. In addition, we mentioned the goal we wanted to reach with this interview which was getting a detailed company overview and an overview of Verhage’s practices and thoughts on low-skill employee retention. Finally, we attached the semi-structured questions we would use for our interviews with both the CEO and HR manager. These questions were created by studying literature on the topic relevant to our research and with the goal to be able to fill the research gap we claimed to have found. Using semi-structured questions in interviews “provide you with the opportunity to ‘probe’ answers, where you want your interviewees to explain, or build on, their responses.” (Saunders, Lewis and Thornhill, 2009, p. 324) which goes hand in hand with the interpretivist epistemology we adopted. Saunders, Lewis and Thornhill, further state that the form of interviewing we are adopting “may also lead the discussion into areas that you had not previously considered but which are significant for your understanding, and which help you to address your research question and objectives” (2009, p. 324). This additional empirical material is important for us due to the exploratory nature of our study. Our interview guide with accompanied questions can be found in the appendix 2.

With the first two interviews conducted with the HR manager and CEO, we were hoping that they could assist in selecting relevant franchisees that make valuable contribution to our research. With this list of assembled franchisees, we can use the company background and practices in combination with the literature to create the interview guide focused on the franchisees. This will allow us to generate questions that enable us to collect empirical material from franchisees that will aid in answering the research question.

Our second interview guide aimed at the interviews that would be conducted with franchisees of Verhage. The interviews that we would conduct were again interviews with semi-structured questions, this time only by phone for geographical reasons. We started off by introducing ourselves and the reason why we contacted them, the purpose of the interview, and the contribution their information would make to our research. In addition, we sent out the questions that would be asked in the interview to make sure the franchisees would be comfortable with the questions asked. Our semi-structured questions were generated from the empirical material acquired through the first two interviews, personal experience within the field of fast service and the reviewed literature. The questions added to the interview guide were divided in six different topics: introduction and background of the interviewee, employee retention, recruitment and selection, training and
development, rewards and recognition of performance and leaving the organization. The interview questions can be seen in appendix 3. Our aim here was to give the interviewee an overview of what we wanted to discuss in the interview but, keep an open context to gather as much additional empirical material as possible without losing the focus on our research question. Because of our interest in gaining the additional empirical material as well, our questions were not leading or to specific. We also kept the amount of questions short to encourage participation and not to scare the potential interviewees off by offering him/her an immense amount of questions.

Our interview guide also stated that the interviews would be taped and that the empirical material provided would be used anonymously for research purposes only. After receiving confirmation of their willingness to participate, an email was sent out to thank the franchisee for his willingness to participate and a date and time was set for the interview. The interview guide can be found in appendix 1.

3.10 Choice of respondents

Based on our literature review, our prior knowledge about the company and the preliminary interviews that we executed to establish a solid background and knowledge of HR practices within Verhage, we were now able to make a selection of participants for our research. Because of the exploratory nature of our study, we wanted to have a variety of franchisees that had different empirical material to offer, this allows us to look at multiple cases that have to deal with the issues around retention but also to have other factors that might influence their practices and idea’s around retention. This way of selecting individuals for our research is called purposive sampling method. Purposive sampling allows us to select samples that are directly relevant to our posed research question and can be selected in a strategic way to create a healthy variation in empirical material (Bryman and Bell, 2011, p. 442).

To make sure we were able to gather this variety of empirical material we made a set of criteria that the franchisees would have to meet in order to be able to participate in our research. The criteria we created to help us upon selecting the franchisee to contact were location, amount of employees, variety in experience and the amount of franchises owned. These criteria are explained below in more detail with regards why we chose this criteria and the goal we want to reach by establishing this criteria.

Location: We chose this criteria to be able to make a distinction between different geographical areas and thus client base. Our aim here is to interview franchisees located in different areas such as a shopping center, a neighborhood, or an establishment located in an area that is dependent of the tourist season. By making this distinction we are hoping to acquire a difference in empirical material with regards to employee retention, employee turnover and recruitment strategy. Franchisees might have more difficulties recruiting in some locations or prefer different treats in an employee with regards to customer service or efficiency.

Amount of employees: This criteria is in place to ensure a variety of cases in terms of the amount of employee’s. Bigger franchisees might employ more personnel but might also experience more employee turnover. Our goal here is to acquire different empirical material with regards to retention practices and bonuses, employing more employees might prove to be a problem
financially with regards to incentives whereas small franchisees might have more trouble when they lose an employee and is thus more willing to invest more in retention.

Variety in experience: By setting this as a criteria, we aim to acquire empirical material with regards to different practices concerning retention due to the experience and the ability to test certain practices over time. In addition, the experience of the franchisee might give us a more diverse insight in what kind of training there is available and if they meet their needs, they also can provide a more diverse insight in what they want their employee’s turn out to be.

Amount of franchises owned: We adopted this criteria to create variety in the empirical material with terms of franchisees owning multiple establishments as we want to find out if their practices are different compared to franchisees only owning one franchise. Because the franchisees work in the store themselves owners of multiple franchises need to appoint a responsible person for their other franchises. This might influence empirical material with regards to the personnel they want to attract.

With these criteria in place we were able to make a selection of the franchisees we wanted to interview out of the total of thirty-six franchises operating under the Verhage name. Out of these thirty-six franchises that we filtered through our criteria, we selected ten franchises that we wanted to approach. We choose to contact ten franchisors with the aim to facilitate at least five interviews as this would grant us the variety of data needed to gather enough empirical evidence to complete the purpose of our research and being able to answer our research question. Our process of contacting these ten franchisees is discussed in the next chapter.

3.11 Contacting the respondents

After establishing our criteria and short listing ten franchisees that we would be interested in interviewing, we needed to establish contact with them to let them grant us permission to interview them. As previously mentioned, our aim was to conduct at least five of these interviews to have a satisfying amount of empirical material. Moreover, due to our previous short listing and the prediction of that franchisees will respond differently to our questions, it will also provide a good variety of empirical material.

The ten individuals subjected to these interviews were contacted by email to establish first contact. Due to the existing contact of Fabian’s father prior to this study the contact information was already available. In this first email which is kept very formal, we introduced ourselves as researchers and stated the purpose of our research and the contribution they could deliver to our research. After stating our role and their role within the interview and the explanation that it would be a telephone interview due to geographical reasons, we kindly asked to contact us if they were willing to participate. We ought it would be important to create as much familiarity with our research as possible and therefore we decided to directly accompany the questions we would like to discuss with them with the first email. First of all, our main reasons to do so was that all these franchisees work seven days a week with long opening hours thus providing as much detail as possible would be more time efficient for them and increasing our response rate. Second, we ought it very important that with sending the questions directly we would be able to create familiarity with the topics we want to discuss during the interview and make them feel more comfortable to a certain degree by not asking questions that might be too sensitive and they would not expect.
After sending out our first initial ten emails, we gathered our responses which were five franchisors willing to participate. These five responses were enough to obtain the empirical material needed to establish a good analysis as mentioned previously we aimed at five respondents or more by sending out ten initial emails. We think that the other remaining five persons did not reply as they were simply too busy or did not have any interest in taking part in our research. As a response to the five positive replies we received, we asked them kindly to choose a time and date out of three days provided in the reply email back to them. Our choice for a three-day time span came out of the idea that we did not want our view of the empirical material to become biased over time as we would conduct interviews over a long time span and our memory of the interview atmosphere and setting would get lost in fatigue, we will discuss this more in-depth in the empirical material processing chapter.

3.12 Conducting the Interview and Interview Setting

After contacting the franchisees and setting dates to conduct the interview, the time had come to collect the actual empirical material from them. After long consideration and before the first initial contact with the franchisees, we decided to conduct our interviews in Dutch. This decision was a well-considered one and we factored in multiple reasons why we should conduct them in English or Dutch. Summarizing the main arguments for choosing Dutch as the language for the interviews was the native language of our interviewees and also of the researchers. This will make sure there is no language barrier and thus the analysis of emotions during the interview would be easier. Also when interviewing in Dutch, the person being interviewed does not have to think about specific terms and thus the margin of error for using the wrong term or misinterpretation is minimized. Finally, we believe that as researchers, we have a highly profound level of English and Dutch and thus will be able to adequately translate the empirical material collected into English.

We employed two types of interview styles being telephone interviews and face to face interviews, both of these methods have its drawbacks and its advantages both in a practical way and in terms of validity. Our choice to conduct both face to face and telephone interviews came purely from practical reason, because one of the researchers was present in the Netherlands at the early stages of the investigation which allowed us to approach the HR manager in a more formal manner being face to face. However, due to the busy schedule of the CEO, the only available option was to conduct the interview with him by phone. Because the other interviews were planned in a later stage of our study, and the researchers were both located in Sweden, we had to perform the interviews by telephone due to geographical reasons. To make a clear distinction between the face to face and telephone interviews, these two different types of empirical material collection will be discussed in separate paragraphs as seen below because of the process and the considerations being slightly different and the fact that we want to rule out confusion between the two.

Face to face interview

As mentioned earlier, the first interview with the HR manager was conducted face to face. This interviews was conducted in a semi-structured way. In semi-structured interviews, the researcher will have a list of themes and questions to be covered during the interview, but it allows for gathering empirical material outside of these themes and questions as well. In other words, it adds a degree of spontaneous questioning to the interview (Saunders, Lewis and Thornhill, 2009, p. 320). As mentioned previously, the interview was conducted face to face by a single researcher.
due to geographical reasons. However, one on one interviews also have the advantage that the person interviewed will not feel uncomfortable due to being outnumbered. The disadvantage of a one on one interview could be misinterpretation of the researcher that’s why we decided to record all conversations with the interviewee’s consent, this provides the advantage that the interview can be replayed also by the other researcher to prevent misinterpretation and thus allows for accurate and unbiased empirical material (Saunders, Lewis and Thornhill, 2009, p. 341).

**Telephone interviews**

The other interviews we conducted were conducted through phone because of availability of the CEO and geographical reasons being that both researchers where in Sweden at the time of collecting this empirical material and that the subjects were located in the Netherlands. Telephone interviews offer a set of advantages in the form of the speed of empirical material collection is increased by not having to travel to meet face to face. In addition, Saunders, Lewis and Thornhill mention that telephone interviews “may allow you to make contact with participants with whom it would be impractical to conduct an interview on a face-to-face basis because of the distance and prohibitive costs involved” (2009, p. 349). We agree with Saunders, Lewis and Thornhill that telephone interviews in our case would be much more convenient. However, there are also downsides to telephone interviews that we also considered which is also stressed by Saunders, Lewis and Thornhill who argue that “conducting an interview by telephone and taking notes is an extremely difficult process” (2009, p. 349). They therefore recommend recording the interviews which we did. In addition, we have decided that one researcher would execute the interview while the other would take on a passive role and would listen and make notes. Another downside mentioned by Bryman & Bell is that no personal contact between interviewer and candidate takes place and this could affect thrust and therefore validity of the answers (2011, p. 489). However, this is not the case due to the candidates being personal contacts and thus have been met prior to the interview.

**Location and atmosphere**

We ought it very important to interview our candidates in a formal way to respect and value them as business contacts regardless of prior personal contact although we tried to keep the atmosphere of the interviews very light. The face to face interview was conducted at Verhage’s head office in a conference room without any disturbances, the telephone interviews were conducted in a similar way as the researchers were located in a quiet room which would allow for not being disturb during the duration of the interview. The franchisees were during the interview either at work or on their way to work. These were the only moments in which they were available. The interview that was conducted with the interviewee who were on their way to work stopped the car prior the interview started allowing to focus on the interview. Regarding the interviews with the interviewees that were located in the franchise, one person was interrupted briefly. All the interviewees were clearly understandable. Before starting the interview, the interviewees were asked again if they were comfortable with the interview being recorded as Saunders, Lewis and Thornhill (2009, p. 341) would advise to do. In addition, the reason of the necessity to record the interview was briefly mentioned. Finally, the interviewee was asked if they conceded with answering the questions they had been given prior. This to ensure if they would feel fully comfortable with the questions regarding the subject at hand.

The interviews were conducted smoothly and no obstacles were met during the execution of the interview, the interviewees felt comfortable and the semi-structured nature of the interview seemed
to please them this could be seen by the openness and additional detail they provided to the questions posed to them. When the interview was finished we thanked them for their participation and reminded them of how we would process the interviews. We made clear that the information would be kept anonymous with regards to the telephone interviews. In addition we made the promise to send them the finished thesis if they wanted to.

3.13 Processing of the collected empirical material

After conducting seven interviews and thus having acquired the raw empirical material, it needs to be processed to allow it to aid us in answering our research question. Having all seven interviews recorded on tape enabled us to create transcripts. An overview of the respondents is provided in table 1. Having recorded this empirical material, we as researchers are able to re-listen to the interviews conducted and to use direct quotes from these interviews. Moreover, recording the interviews provides a permanent record for others to use (Saunders, Lewis and Thornhill, 2009, p. 341). As we decided to conduct the interviews in Dutch, transcribing was done in Dutch as well to provide an accurate transcription to the participants of our interviews without words getting lost in translation. With regards to using empirical material within our research, both researchers have the skills needed to accurately translate the necessary empirical material for our research into English since we both have Dutch as our mother tongue and a bilingual proficiency in English.

After transcribing the empirical material, we send our transcriptions to the interviewees to confirm their approval. Having received approval, a table of respondents was created and code names for the different franchises were allocated to preserve their anonymity. After the code names were assigned and the empirical material was transcribed, a distinction was made between the face to face interviews and the telephone interviews as they would serve a different purpose in the empirical and analysis chapters.

Franchisor interviews

Our first two interviews conducted face to face with the HR manager and through telephone interview with the CEO was aimed at creating a background of Verhage as the main cooperation and their practices regarding HRM and retention. Because the empirical material gathered in these interviews is used for different purposes than the franchisee interviews, we decided to split them up in terms of processing empirical material. The franchisor interviews were categorized in five categories being: introduction, successful franchisee characteristics, financial Information, legal considerations, training, and marketing questions. Their answers were placed in the corresponding category making the empirical material well arranged. Together with the Verhage website which we also used to gather background information on the organization being studied, a company profile will be set up. This combination of sources allows to set up our company profile more easily and more efficiently.

Franchisee interviews

The interviews conducted with the franchisees were categorized differently because their empirical material will also be used to analyze a different aspect of Verhage as these interviews come from the franchisees point of views and not the franchisor’s point of view. However, the interview conducted with the CEO also provided information on both aspects based on his experience as a
franchisee prior. The questions asked to the franchisees and also their corresponding answers where again sorted into categories. This to be able to reflect better on the acquired empirical material later during the analysis and the drawing the conclusion.

The reason that our interviews might seem on the short hand comes from the very practical approach our participants have. The participants work seven days a week in their restaurants and thus are very practical orientated also in terms of the questions we asked. Time is very valuable to the franchisee since they work in their business themselves as well. Being able to interview them is a privilege; this can also be seen in the form of that out of ten emails we received five responses.

The semi-structured nature of our questions allowed us as researcher to guide the path the interview would take but still allows for detailed answers from our participants. Whereas the interviews might seem short and shallow this is in fact very much untrue, the interviews answers are given by participants that deal with these situations on a day to day basis making the answers of our participants very practical and short but also very accurate.

<table>
<thead>
<tr>
<th>Interview</th>
<th>Participant</th>
<th>Function</th>
<th>Interview type</th>
<th>Code Name</th>
<th>Date of the interview</th>
<th>Duration interview in minutes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interview 1</td>
<td>Mrs. Martine Assenberg van Eijsden</td>
<td>HR manager</td>
<td>Face to Face</td>
<td>X</td>
<td>18/04/2013</td>
<td>31.54</td>
</tr>
<tr>
<td>Interview 2</td>
<td>Mr. Tom Bijl</td>
<td>CEO Verhage</td>
<td>Telephone interview</td>
<td>X</td>
<td>09/05/2013</td>
<td>25.55</td>
</tr>
<tr>
<td>Interview 3</td>
<td>Franchisee 1</td>
<td>Franchisee</td>
<td>Telephone interview</td>
<td>Anton</td>
<td>13/05/2013</td>
<td>21.46</td>
</tr>
<tr>
<td>Interview 4</td>
<td>Franchisee 2</td>
<td>Franchisee</td>
<td>Telephone interview</td>
<td>Bernard</td>
<td>13/05/2013</td>
<td>13.57</td>
</tr>
<tr>
<td>Interview 5</td>
<td>Franchisee 3</td>
<td>Franchisee</td>
<td>Telephone interview</td>
<td>Charles</td>
<td>14/05/2013</td>
<td>15.43</td>
</tr>
<tr>
<td>Interview 6</td>
<td>Franchisee 4</td>
<td>Franchisee</td>
<td>Telephone interview</td>
<td>Danny</td>
<td>14/05/2013</td>
<td>13.37</td>
</tr>
<tr>
<td>Interview 7</td>
<td>Franchisee 5</td>
<td>Franchisee</td>
<td>Telephone interview</td>
<td>Erik</td>
<td>15/05/2013</td>
<td>16.03</td>
</tr>
</tbody>
</table>

Table 1. Respondents

The corresponding categories assigned to the franchisee interviews are introduction, employee retention, recruitment, training and development, recognition and rewards and as last category feedback.

The empirical material is analyzed through thematic analysis which codes the data into themes. This is due to the reason as we aim to analyze on what is said by the franchisees rather on how...
they said. (Bryman, 2008, p. 553) In addition, the structure of the interview is also already divided within the themes which will be applied in the processing stage. The main theme is retention which is consecutively subdivided into sub-themes that are, recruitment and selection, training and development, career development, recognition and rewards, and leaving the organization. These themes will allow us to develop a clear overview to see similarities and differences in the approaches of the franchisees as well as being able to relate these empirical findings with empirical material (Bryman, 2008, p. 555). Furthermore, as the interview is already structured within the themes in which they are processed, less text will lose its context as most of the findings are already grouped together. In this way, one of the disadvantages of this coding approach is taken into account (Bryman and Bell, 2011, p. 589). The outcome of the thematic analysis is seen in the section considering the empirical findings as the description of the interview of the franchisees is divided into the separate themes a mentioned above.

3.14 Presentation of results

First of all, the results of our findings have been presented in the order that the interviews took place. To allow the reader to have a more clear picture of the franchisor and the franchisees and the franchises they are operating we have decided to create a company background covering the main points and practices Verhage employs. To realize this we have divided the background in five different headings being history, recruitment and selection, training and development, career development and recognition and rewards. This is very much like the way our theoretical framework is constructed and covers the same topics.

In addition to the company background we provided a profile of the franchisees without compromising anonymity. With these profiles we try to create more familiarity with the franchisees and the code names they have been assigned. Finally, we present the result from our interviews. We have divided up the empirical material per franchisee rather than per question this to avoid confusion between franchisees and provide a clear overview per franchisee rather than topic.

Took keep the empirical material as close to the original interview as possible, the researchers will use quotes which can be recognized by quotation marks. In addition, when using the participants’ code names within the research they are written in italics to avoid confusion between participants and other sources. We as the researchers believe that this is the best way to show the participants original answer and intention and will nullify the possibility of misinterpretation by the researchers.

3.15 Trustworthiness of the research

As is noticeable in the empirical material collection method, steps are taken ensuring a qualitative outcome of our research. Below the undertaken measures are described which are aimed to ensure a trustworthy outcome of this research.

3.15.1 Credibility

To ensure credibility of our research, we had chosen to focus on environmental triangulation which entails that research is done in different environmental settings (e.g. location or time) (Guion, Diehl and McDonald, 2011, p. 2) to find out if the interviewees address retention on low-skilled workers
in a similar way. Therefore, the decision to study low-skilled employee retention at five cases would enable to provide several insights as each case involves different social actors and being situated in a different environment. In addition, we have developed selection criteria that ensured these cases operate in different environments.

Furthermore, respondent validation is applied to further increase the validity of this study (Bryman and Bell, 2011, p. 396). Therefore, we have sent a transcription based on the recorded interviews towards the respondent for approval ensuring all the information gained from the interviewees is correct.

3.15.2 Transferability
The transferability is concerned with external validity. It concerns whether the outcome of this research can be applied to other contexts (Marshall and Rossman, 2006, p. 202).

The decision to study five cases as mentioned above also affects the transferability of our research. The selection of these cases operating within different environments allows getting an insight of how the manager addresses low-skilled employee retention in each context. This will allow the research to become more useful in other contexts (Saunders, Lewis and Thornhill, 2009, p. 335). In addition, this research is related to theory on HRM. Thus, the findings of the research are used to contribute towards theory (Marshall and Rossman, 2006, p. 203).

Furthermore, the outcome of this research is relevant in the context of Verhage as a whole. This is due to the fact that franchisees all receive the same support of the franchisor. However, this is not the case for the fast food industry in the Netherlands due to the support to the franchisees being different depending on the franchise organization they operate under. However, the way in which our research is conducted can be applied towards the fast food industry in general as the method does not apply any country or company specific way of researching retention amongst low-skilled employees in the fast food industry.

3.15.3 Dependability
With regards to dependability, it refers to see whether the results are repeatable (Bryman and Bell, 2011, p. 41) which is similar to reliability (Marshall and Rossman, 2006, p. 203). As this is a qualitative research using semi-structured interviews focusing on the perception of managers on low-skilled employee retention, it is difficult to guarantee a similar outcome if this research would be repeated. Moreover, the environment might also be difficult to imitate the situation in which it operates and that each case involves different social actors. This is also supported by Marshall and Rossman that qualitative research “cannot be replicated because the real world changes” (2006, p. 204).

For further enhancement of the dependability, both researchers discuss their view on all gathered information constantly in this research. This will enable us to make decisions in which both researchers are in agreement to prevent a lack in consistency in the decisions (Bryman and Bell, 2011, p. 158) and to develop a common view that is consistent within this research.

Moreover, an auditing approach is taken throughout this research which entails that “complete records are kept of all phases of the research process” (Bryman and Bell, 2011, p. 398). This allows being able to keep track of changes and how the research has progressed.
3.15.4 Confirmability

Confirmability is also important as the researchers need to maintain a form of objectivity to ensure the perspective of the research participants is analyzed (Marshall and Rossman, 2006, p. 203). As these persons are experts in their field and are confronted with retention of their employees on a regular basis, it is important to reflect the view of the researcher as little as possible by aiming to remain as objective as possible (Bryman and Bell, 2011, p. 398). Therefore, we use the exact words said by the interviewees in the processing of our empirical material as much as we can. In addition, we aim minimize our interpretation of the data in processing of the empirical material. Furthermore, even though Fabian is into a degree related towards the organization, Ro has no connection with the organization at all which allows maintaining an objective view during this research. To further ensure Fabian’s relation towards the organization does not lead towards any bias, Fabian and Ro discussed every way of approaching Verhage to ensure objectivity due to Ro’s unbiased view of Verhage. By taking this measurement, we ensure unbiased contact with regards to obtain empirical material for this study.

3.16 Ethical Considerations

We will take a universalist approach towards ethics which implies that we view a breach of ethical principles as morally wrong (Bryman & Bell, 2011, p. 124). Therefore, we believe that ethical considerations can be seen as laws we should obliged by, this to protect the subjects featuring in our research. This set of considerations regards to the prevention of ethical conflicts in terms of misconduct and wrongful collection of empirical material due to lack of informed consent and breach of privacy, confidentiality, and anonymity during conduction of the research (Saunders, Lewis and Thornhill, 2009, p. 185). Therefore, we developed code names for the franchisees interviewed. In addition, we deliberately chose not to provide detailed information of the franchisees to ensure their anonymity. Concerning breach of privacy, we asked permission to record the interviews. Furthermore, we have clearly informed the interviewees concerning the purpose of our research in the interview invitation which can be found in appendix 1. At the start of each interview, we also ensured the interviewee is aware of the purpose by directly asking if the interviewee has any questions regarding this research or any unwillingness not to answer to certain questions. These ethical considerations are not only there to protect the individuals subjected to our research but also the research itself and the researchers involved. This will assure that the collected empirical material is not subjected to wrongful collection as such which would consider our findings as invalid.

Furthermore, it is of importance to respect the copyright of the addressed literature in our research. In addition, respecting the work of others will also allow preventing plagiarism. Thus, we strongly believe it is vital to reference all the information and knowledge deriving from other people than ourselves.
4. Research findings

This chapter will provide a profile of each franchise owner and the results of the conducted interviews. However, we will firstly provide a brief overview of Verhage fast food for a better understanding of the organization.

4.1 A company profile of Verhage fast food

Verhage fast food was founded as a small snack bar in 1967 in Rotterdam, the Netherlands. It was founded by the brothers Verhage whom were both running the snack bar. It became an instant success and customers were often waiting in line which reached outside the door. This success allowed opening a second shop after ten years. This growth quickly accelerated up to five stores in 1980. The growth demanded a lot of attention with regards to managing personnel and marketing. A solution to this was to choose a franchise concept. The first franchise agreement was made in 1987. From then, Verhage kept growing towards 37 franchises in 2013 (Verhage – Geschiedenis, 2013a).

Verhage's franchise concept has a high focus on entrepreneurship ensuring the franchises are completely run by the entrepreneurs. These entrepreneurs usually work besides their employees in the franchise. However, Verhage provides a significant amount of support allowing the entrepreneurs to have more time to focus on the organization instead on time consuming tasks such as purchasing and promotional activities. The aim of the concept is that as a result of this support, the entrepreneurs will be able to focus on other tasks which are the management of personnel that are regarded as an important part of the organization to be able to perform at their utmost. (Verhage – Franchise, 2013b)

In addition, despite the fact that all franchises have complete control over managing their own personnel (Verhage – Vacatures, 2013d); Verhage offers services which the franchisees can use freely.

Recruitment and selection

With regards to the search for new employees, franchisees are free to advertise open positions on the Verhage’s website. (Verhage – Vacatures, 2013d) According to Martine Assenberg van Eijsden and Tom Bijl recruitment is something the franchisees do themselves. However, information on how to recruit more effectively is made available and Verhage puts a lot of effort in training after the recruitment. Martine Assenberg van Eijsden states that “we find it important that the employees in the store are educated, you cannot educate them if employees change every month. You have to be realistic, some employees leave after a few years and we gave them a bit of baggage for their future, the ones that stay yes you want to try to make them become franchisees of course.” (Martine Assenberg van Eijsden, 2013).

Training and Development

The Verhage offers a wide range of training. This training is offered for free towards the franchise employees (Martine Assenberg van Eijsden, 2013). There are three trainings provided by the Verhage training center. The first training is a starters training which takes three days and is directly offered towards new employees at the bottom ladder of the franchises. Central in this training is to learn about hygiene, communication and how to approach the customer. The second
training offered is called starters training plus. This training is identical to the starters training, but provides additional theoretical knowledge. Employees who fulfill this training will receive an official diploma by an educational institution. As third, there is a training offered to employees who wish to become a team leader. This training involves gaining knowledge about marketing and management. (Verhage – Education, 2013e)

In addition, two complete educations are provided in cooperation with two educational institutions which allows the students to obtain an official diploma. These studies are aimed towards a leading position in the franchise or to become a leader of a franchise themselves. (Verhage – Education, 2013e)

In terms of training and development for the franchisee, Verhage organizes a so called formula day twice a year. During these days an actual theme with regards to the Verhage franchise formula is discussed to make the franchisee think and educate them in some parts. Themes from the past included a formula day on social hygiene where an expert was hired to have a talk about social hygiene and touch upon important topics which the franchisee can use in day to day operations. Another theme included visiting a supplier to see where the products the franchisees use every day come from. These formula days are really organized purely for the franchisees. (Martine Assenberg van Eijsden, 2013)

Career Development
These trainings provided also shows Verhage's approach to career development. A starter plus training is offered towards all new employees. However, an employee that wants to do a training to become a team leader needs to be recommended by the franchisee. When a team leader wants to take the step to become a franchisee, it needs to be approved by Verhage (Martine Assenberg van Eijsden, 2013). Martine Assenberg van Eijsden states “a good employee is not necessarily a good entrepreneur” (2013).

In addition to these training, Verhage offers extensive support in starting a franchise. This support entails activities such as financial aid, search for a suitable location, monthly analysis of results, etc. (Verhage – Franchise, 2013b)

Recognition and Rewards
Verhage also has a concept named mystery shopper. In this way, the service of the organization is tested and graded. Such a test is done at least ten times a year. The best performing employees receive a reward in return. (Tom Bijl, 2013) Moreover, every year a prize is awarded towards the best franchise. This prize consists out of a cheque which can be spent by the franchise on a getaway with its team. (Martine Assenberg van Eijsden, 2013) In addition, every year in January, an event is organized by Verhage aimed to gather all franchisees and their employees (Tom Bijl, 2013).

4.2 Profile of the franchisees

To allow the researchers to sketch a clearer picture of the franchisees interviewed and the circumstances their franchises are operating in, we will introduce them briefly and sketch a profile of each franchise and the franchisee under their assigned codename. This will enhance the reader’s ability to place themselves into the position of the researchers. These profiles will include geographical information about each franchise and the work experience from the franchisees
running them. Included will be also information about the amount of employee’s which will give an insight in how large the franchise organizations are. Finally, information will be provided about whether the franchisee owns multiple franchises. Our aim here is not to analyze the franchisees and their businesses but to give a general overview to provide the reader a better understanding of the circumstances. As we want to preserve anonymity of the franchisees and their establishments, numbers like employee’s and work experience have been provided in a range form rather than an exact figure. An overview of the franchisees can be seen on the next page in table 2.

Anton
Anton is the owner of two franchises located both in medium to large shopping centers. He started as a normal employee within Verhage and managed to grow to open his own franchise. At the moment, he has gained an experience up to more than twenty years of running his two franchises. He currently employs around twenty workers.

Bernard
Bernard is the owner of a franchise located in a neighborhood shopping center and has been the owner since two to four years by now. Before Bernard opened up his franchise location, he worked at a different franchise of Verhage and has been active in the food sector even before that time. With more than half a decade of experience, he is the leader of a team of nearly ten employees.

Charles
Charles gained his first experience within the sector at Verhage ten years ago. He worked for the same franchisee during his whole career but when the opportunity arose to be a franchisee himself he took this opportunity. His franchise is located in a very touristic area with a difference in high and low season in terms of the amount of customers. Generally, Charles has a fixed team of five employees.

Danny
Prior to joining Verhage, Danny has gained some experience by being employed at a local snack bar in his spare time during secondary school. Thereafter, he has been employed in some other sectors. As soon as Danny started at Verhage, it only took him a few years to start his own franchise. Nowadays, he has gained more than ten years of experience and owns two franchises within large shopping centers and employs around twenty five employees across both franchises.

Erik
Erik started working at Verhage during high school after he left school. In his late teens, he got the opportunity to build a career within Verhage and now owns two Verhage franchises. His businesses are located in large shopping centers and he employs just fewer than fifteen employees.
<table>
<thead>
<tr>
<th>Name</th>
<th>Franchise Experience</th>
<th>Years working at Verhage</th>
<th>Previously active in similar industry</th>
<th>Geographical location of Franchise</th>
<th>Size in terms of employees</th>
<th>Amount of Franchises owned by the franchisee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anton</td>
<td>20-22 years</td>
<td>25 years</td>
<td>No</td>
<td>Shopping center</td>
<td>20</td>
<td>2</td>
</tr>
<tr>
<td>Bernard</td>
<td>2-4 years</td>
<td>7 years</td>
<td>Yes</td>
<td>neighborhood center</td>
<td>9</td>
<td>1</td>
</tr>
<tr>
<td>Charles</td>
<td>2-4 years</td>
<td>10 years</td>
<td>No</td>
<td>Recreation resort</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Danny</td>
<td>10-12 years</td>
<td>15 years</td>
<td>Yes</td>
<td>Shopping center</td>
<td>25</td>
<td>2</td>
</tr>
<tr>
<td>Erik</td>
<td>6-8 years</td>
<td>15 years</td>
<td>No</td>
<td>Shopping center</td>
<td>14</td>
<td>2</td>
</tr>
</tbody>
</table>

Table 2. Overview of franchisees

4.3 Findings of the franchise interviews

The outcome of the interview is described for each franchisee separately. This allows the reader to have a clear overview of the collected empirical material.

4.3.1 Anton

When asked about retention, Anton explained that he finds retention of employees tremendously important. Anton has three different ways that he uses to retain his employees. These three ways of achieving retention according to him are giving responsibility, respect and compliments, and salary. However, he mentioned that responsibility is most important much more than salary especially for the young people recognition, respect and complementing is much more valued than earning hundred euro’s more every month, so he definitely sees respect and compliments as more important.

He continues that he definitely recognizes that he has turnover within his franchise but he agrees it is much lower compared to colleagues within the fast food industry. He continued that even though it is low on average, you must take into account that within one and a half year you could see as much as eighty percent turnover of employees. He mentions this is mainly attributed to the working times within the fast food industry because they are open late.

Recruitment selection

With regards to recruitment, Anton says mainly that earlier mainly jobs were advertised in the local newspaper. He continues that people also enter the franchise and ask whether there are any positions available. With the modernization, the vacancies are also put on the website and this is mostly the way he sources his employees. Moreover, the personal contact so the people that walk into the store looking for work, bring in a lot of his employees as well.
With respect to looking for an employee, Anton finds finding the right employee very important and would choose a better employee even though this employee would have a higher possibility of leaving his organization on the short term. He finds this more important than the idea of finding a suitable worker that will stay long. He continues “in the end, the employees are the oil of your company”.

**Training and development**
Furthermore, Anton sees training as an important aspect in realizing longer stay of his employees. He sees that an employer needs to invest in its workers allowing to provide a good qualitative service to the customers which is important. He strengthens this by telling us that he read an article in an industry magazine which explains that the most common annoyance of restaurant owners when they go to a restaurant bad quality service. In addition, he recognizes the training currently offered by the franchisor meet the requirements. Therefore, he says no additional training is required. He says to be aware that the employees enjoy participating in the training. But, he remarks that the way the training is thought needs to develop in the way that it is easily understandable by the employees.

As mentioned previously, Anton does offers his employees more responsibilities, he states “that's how you can keep them”. Anton is convinced that failure of giving employees more responsibilities will definitely prompt them to leave. He also adds that by giving employees more responsibilities, he can encourage and motivate his employees to be passionate about growing within Verhage and build on their career.

**Career development**
Anton promotes the possibility to grow within Verhage up to a franchisee. He mentioned that he is the perfect example as he started out on the lowest rank as well but worked his way up in the organization. He mentioned that he is an example that there are career opportunities within Verhage and that they can be pursued if wanted to. He supports and offers opportunities to develop a career in Verhage. However, he continues that few employees that worked for him became a franchisee which can be mainly attributed to the commitment it takes to become a franchisee.

**Recognition and rewards**
Anton says that he has notes of each employee which has some points mentioned of the employee. He also says to conduct a job evaluation. Continuing, he states that he has a lot of contact with its employees since they work together every day. In that way, he always pointed out if they did something good or wrong during the work. He says to have underestimated the effects of discussing good and bad things with his employees and that it is sometimes better “to take the time, sit down and talk about it”. He continues by saying that when he does provides structured feedback, he discusses around three quarter of the time positive appraisal and the rest points to improve. He believes it helps to keep the employees motivated.

With regards to reward Anton mentions that he occasionally offers a small financial bonus to the employees on special days. He used Christmas, Easter and birthdays as an example. According to him, employees feel valued and not forgotten by doing this. Next to that he continues, when there was a busy day, the next day there are usually some pastries as a recognition of the hard work delivered.
Anton noticed that the employees show some pride after getting a reward, but he states this disappears quickly during the day.

Finally, with regards to rewards Anton says that he organizes a getaway with the employees once a year. He explains that this is a nice treat for their work to show some and it also brings a degree of socializing and teambuilding with it. To him these getaways are a nice way to blow off some steam.

Leaving the organization
Anton mentions that exit interviews aren’t conducted within his organization. However, he recognized an exit interview would be useful. He continues “at first you don’t think it is necessary since you are so close to them”. Nevertheless, Anton always tries to get a brief conversation to ask for which reason the person leaves most of the times Anton says they reply that they found a different job.

4.3.2 Bernard

When we asked Bernard’s view on retention, he shared with us that it is very important for his organization to retain employees because you are able to keep a certain amount of knowledge in the organization. But also to his customers, Bernard thinks it is very important to retain employees. He continued that they had been working with the same team for quite some while now. However, they had to lay off one of their employees lately. That employee had been working in Bernard’s organization for a long time and after firing this employee, Bernard noticed that they lost a part of experience and knowledge in the organization. Things that this employee was normally responsible for have to be taken over by other employees now and Bernard mentioned that they will have to work a bit harder to regain this knowledge within his organization.

The employee turnover in Bernard’s franchise is low, he worked with the same team for over three years. Bernard mentions that some left because they could not combine the work with school anymore, only one left in a not so nice way. Bernard shares with us that he notices a difference between the old employees, the ones that already work there longer and the new employees. The employee turnover according to Bernard among the old employees is very low within his organization. The new employees however have a much higher turnover rate. Bernard attributes this mainly to the trial-period of two months which the new employees are subject to in which the contract can be ended easily by both the employer and employee.

When asked if Bernard has any practices regarding the retention of employees in place, he mentions that there are not really practices he puts into practice. Bernard mentions that “the most important is that they are hardworking and honest when one of those traits disappears then it is over pretty fast” Meaning that the employee’s with these values are the people Bernard finds worth it to retain and otherwise either honesty or hard work would disappear he would rather dismiss them.
Recruitment selection
When we discussed the recruitment and selection of employees with Bernard he shared that he recruits employees mainly on a personal level, some people email us but Bernard does not really answer those emails. According to Bernard if someone “walks into the store they have a certain appearance and that is important because that is also what the customer sees” implying that the employee in this industry is part of the company’s face towards the customer.

When talking about the ideal employee during the recruitment process Bernard is very clear, having only ideal employee is not good, you need diversity also for the customer it is better they also want some diversity when it comes to service. However, Bernard continuous diversity is good but they have to know what working hard is, adding to that he says that they have to a sense of responsibility. With regards to responsibility, he added that this is also a trait the manager can train and thus has in his own hands.

Training and development
Continuing our interview, we asked Bernard’s view on training development. He responded by stating training as important and offers additional trainings to his personnel like Social Hygiene trainings and Health and Safety officer training. This also improves their confidence according to Bernard. This is very much valued by the employee because they receive a certificate which they can keep for the rest of their career so even if they move on to another job it is still beneficial to them. He finds that the employees value that sort of training also because it is something they can use throughout their future and see thus the benefit of this training and its implication during the rest of their career.

Bernard states that development of his employees is also an important aspect to him in running his business. He tells us that he offers more responsibilities to his workers from the beginning on to make them more confident about themselves and their capability to do certain things on their own. He adds that he believes it is better for an employee to do things on their own like making an order form a customer completely by themselves. Bernard mentions that it boosts their confidence in themselves by doing it on their own instead of having their boss look over their shoulder the whole time to check if it is done right. According to Bernard you can always tell the employee afterwards that it has to be done in a more secure way or faster for example.

Career development
When asked about career development within Verhage and if he encourages his employees to pursue this path. Bernard responded that he encourages career development up until a certain level. However, Bernard adds that “you have to be honest, we are in a sea full of fish and you can scream from the rooftops that you really want your own business but if someone thinks you shouldn’t get one then it is over. We are always very honest in that.” Two factors play a role you need to really want to have your own business and someone else needs to want you to have business also.

Recognition and rewards
When we asked Bernard his view on rewards he explained to us that he considers the salary already a reward for the work delivered. Meaning that the salary is the reward for the labor done. However, he adds with Christmas and Easter we always do some activities with the team or something extra in the holiday season but Bernard also tells us that this is hard to do also for tax regulation reasons.
in the Netherlands. In addition, Bernard told us about the mystery shopper “there is a contest within Verhage for the best employee’s if our employees end up high in that contest then yes there is a reward accompanied with that.” He also adds that this is also a motivating factor for the employees.

Leaving the organization
Bernard also finds it important to conduct exit interviews when an employee is leaving. Regardless of the reason, Bernard wants to know why they decide to quit or he wants to explain why the employee has to go. This is important because “he might gain something from that information, maybe he made a mistake and he can learn from that” according to Bernard.

4.3.3 Charles

Charles sees retention as important as it makes it easier to let them work more independently with responsibilities when they stay. He states “if there is a high employee turnover, it's not interesting for me”. He explains, it takes up to a year before new employees master the details of the work and to be able to let them work independently.

He has some practices with regards to retain his employees. He states that he offers a significant higher salary compared to the minimum salary in comparison to other businesses within his sector. He justifies paying higher salaries by saying that “we are in a seasonal location, so they can work everywhere if they want to” implying that due to the high season many businesses are looking for employee’s especially in the food sector thus paying a higher salary is needed to attract and retain employees. In addition, he also sees it as important to create a nice working environment for the employees themselves. A way how he creates such a working environment is by being flexible concerning drinks and food the employees can take. “They don't have to bring their sandwiches. They can eat what they want and they can drink what they want.”

The turnover rate is also very low at his franchise, he mentions that up until this date all my employees have been working for me at least the past three years. Charles also recognizes this has an outcome of his practices. He also recognizes that Verhage is different compared to McDonald's. The employees receive an order, prepare it themselves and bring it to the customer which is different from McDonald's that just exists out of frying burgers.

Recruitment selection
When Charles needs to recruit a new employee, he just says to his employees someone is needed. He says, “They tell their friends and like that the word goes around”. He once put an advertisement in the newspaper which led to only one respondent. That person appeared to be around fifty years old and was forced to apply due to regulations in the Netherlands that would otherwise cut him off from welfare. Due to that reason, he stops using advertisements.

He says that choosing an employee really depends on the gut feeling. He continues, “You know when someone sits in front of you within two minutes whether he is fit or not”. Nonetheless, he thinks it is important to provide everyone a chance. He knows that you can always educate the person. He adds that he doesn't need a whole interview to know whether he wants to hire a person. However, he conducts the job interviews until the end.
Training and development

Charles values training as important. He acknowledges the training offered by the franchisor as sufficient and helpful towards developing his employees. He also doesn't see any need for additional training as he thinks the trainings currently in place suffice.

Charles tells us that in general he also offers more responsibilities to his employees overtime. But, he continues “not all of them, but most of them”. He explains that some people are a bit afraid of responsibilities and thus it is better to not give them too much responsibilities. He is aware that some people can see it as a challenge but others could view it as a burden. However, he knows that in general they appreciate some more responsibilities.

Career development

He says he has little to do with career development. He refers to his employee which are mainly part-timers between sixteen and seventeen years old and thus don't have the ambition to think about their career at Verhage, they are still too young to think of that. He also continues there are few school dropouts compared to the big cities and thus the average age of his store is low and consists of part-timers that work in holidays and weekends because the rest of the time they have to attend class. Nonetheless he says, opportunities will be offered if they wish develop further at Verhage but most of them won’t yet think about that yet.

Recognition and rewards

When Charles was asked about his view on recognition and rewards and the practices he uses, Charles stated to us that he definitely discusses the performance of the employees. He thinks it is important to say things they do well and what they do wrong. He adds to that by explaining that otherwise the business wouldn't run well in his point of view. In addition, Charles mentioned to us that he does not offer any incentives or rewards within his franchise in terms of rewards for performance.

However, when Charles compliments his employees, he can notice a change in their attitude such as becoming more proud. Although Charles adds unfortunately this is only temporary, but he is aware that employees get a boost when they are told they do things well and it is good to give them that boost sometimes.

In terms of rewards for the team Charles mentioned that they organize a getaway twice a year. He says it can be seen as a reward, but he continues “if business is bad, we do it as well” implying that these getaways happen regardless of performance or not just to blow off some steam with his team.

Leaving the organization

According to Charles, there is no need to conduct exit interviews. Mostly when a person leaves, he or she directly explains the reason. Mostly they stop since they don't like the work anymore or because they are changing schools.
4.3.4  Danny

Danny perceives employee retention as important as according to Danny it allows a fixed structure on which can be built for the following years. However, Danny continues by saying that he also finds important to replace one to two employees each store. This is to keep young people within the organization and to keep costs compressed as minimum wage increases the older the employee becomes.

When we asked Danny about employee turnover, Danny mentioned that he perceives his employee turnover as being low. In fact, he even thinks that a bit higher turnover would actually not be as bad for his business as it keeps the team fresh.

When we continued interviewing and asked Danny’s approach towards retention he said that he applies training as a retention policy. He thinks it provides a standard of performance and a good way to educate norms and values to the employees within the job. Moreover, he perceives it as important you do not only benefit from the employees their work. He sees training as something you can offer in return.

Recruitment selection
Based on his experience, he experienced recruitment practices are bound on time. Around three to four years ago, effort had to be done to receive applications. Therefore, he put an advertisement in the newspaper and also put the vacancy online on the website of Verhage. Nowadays, he experiences it as easier “now they just come running inside”. Thus, he puts no more effort in promoting job openings.

Even though Danny says he has an ideal view on an employee, he doesn't only recruit applicant meeting those criteria. He says “you look which criteria this person meets and which don’t and what you can learn to this person”.

Training and development
Danny views training as very important based on the customers’ demands. According to him, customers increasingly demand more service. He thinks the training offered by the franchisor suffice for now to meet these needs of the customer, but mentions it could change over time and thus extra training might be needed. He continues by adding that he does not only find training important but also has heard from employees that they find the training a fun and learning experienced. Furthermore, he offers more responsibilities to his workers especially after having followed the trainings offered by Verhage. However, he doesn't provide more responsibilities to every person. He mentions this is depending on each employee because sometimes the pressure of responsibility can be too much.

Career development
On the topic of career development Danny mentions that if an employee wishes to develop within Verhage and to eventually start its own franchise, they will be given the opportunities to be able to achieve this objective.
Recognition and rewards

Danny mentioned he does twice a year a job evaluation in which he discusses the positive and the negative points of the employee its work. However, if it occurs that an employee has many negative remarks at work an extra meeting will be scheduled to discuss this with the employee. He rather discusses such cases directly with the employee instead of waiting until the next bi-annual meeting.

Danny continues by saying that in return for good performance, he has offered some financial incentives to his employees, but only very occasionally. Danny also adds that he also sees giving more responsibilities to the employees as a reward for performance. As a result, he notices employees to be more proud of themselves because they are given these responsibilities.

Besides the previously mentioned rewards Danny described Danny organizes one to twice a year a getaway with both franchises. He thinks it is important the employees will enjoy his day. For this reason, he gives the responsibilities and a budget to organize this day out to the employees. In this way, he knows the employee will enjoy the getaway as he mentioned that they can better decide then he can when it comes to these trips. Danny doesn't perceive these getaways as a reward of their performance.

Leaving the organization

When he comes in a situation that he needs to dismiss the person, he wants to explain the reasons that came to that decision. He also thinks it is also useful for the employee to learn from this. On the other side, when a person decides to leave, he also wants to know what has lead this person to this decision. He states “you can also learn from this yourself”.

4.3.5 Erik

With regards to the importance of retention Erik finds a combination of retention and turnover important. When talking about part-time employees Erik says that he tries to attract a bit higher educated employee’s people that are still going to school. The reason he tries to do this is because according to Erik “you can bind such a person to you for four to five years during their school career which is a healthy situation for both”. When talking about full timers however Erik mentions that after three years retention of full time employee’s becomes an issue because they need to grow or they lose interest for the job. He adds that “with most people I have long-term relationship but once every three year I still try to replace one”

Erik’s perceives the employee turnover in his businesses as dependent on the period, once you have built your team and it is a solid team employee turnover is really low, nobody will really leave and you will be able to keep the same team for at least two to three years. However, he mentions that when you are building a new team your employee turnover is fairly high especially with part-timers “often after the first month, month and a half I know fairly well what value they have to me and then I also fairly easily part from them” To him the first months he has allot of employee turnover but once the trial period of the employee is over the employee turnover stagnates significantly.

Erik mentioned that he does not really have practices or guidelines in place with regards to retention. He says that that he conducts job evaluations and bi-annual performance appraisals in which he touches a few points but for him thrust is the most important. Erik mentions that he
always tries to build on trust and that he is very flexible if his employees are as well. Erik says that he tries to build a relationship where he is close to the people and knows what is going on in their lives.

**Recruitment selection**

Recruitment according to Erik is very personal and with recruiting through advertising or the Verhage website rarely happens. Recruitment is mostly done personal with people that walk into the store or one of the employee’s knows someone that is looking for work. With full-timers personal recruitment is usually the way you acquire those employee’s but according to Erik it is the most important that you add good people to your business.

Having the ideal employee in mind in terms of recruitment can be different every time according to Erik always but he always tries to conduct an interview with a potential employee anyway to see if there is a catch, but most of the times Erik still wants to try to work with such an employee. According to Erik making fries is not rocket science it is harder than it looks but still everyone can learn how to do it, it is more important that an employee fits in your company. According to Erik you need to ask yourself questions like “can an employee really do what you really want and how does he react in certain situations”

Further Erik mentions that since he has two businesses, he needs to be strict for his full-timers since he’s not always there. Erik gives us an example that for a full-timer he is looking for someone with a full time job and kids, someone who can’t afford not to go to work because he needs to pay his mortgage every month. He compares this to a part-timer where he says that a part-timer can think “I’m going to stay in my bed today instead of working for those fifty euro’s I would otherwise make to today” and thus Erik sketches a clear the distinction between the priorities he expects from full-timers compared to part-timers. Further he explains that if he is for example needs someone for a Friday night shift and he would have a girl on interview that looks nice and is spontaneous but doesn’t really meet expectations he would still hire her because basically it is just good for your business.

**Training and development**

Erik considers training and development very important and mentions that at Verhage they also work with information materials with how and what has to be done inside the store. In addition, Erik does allot of personal talks and work meetings and show how things should be done. Erik tells us that he “invest a lot of time in the first two months so it will pay off at a later stage”

According to Erik, the training available now for new employees is more than sufficient however when they are working in an organization longer and they are ready to make the next step there is a bit of a gap. He identifies that trainings now such as the fast-service educations given in schools are too theoretical and according to Erik they should focus more of practical education. This will have more effect because the individual can use it directly after he has learned something and also see the result of what he has been learning.

Erik also states that his employees mostly value the extra training they get and especially when they can use the things they learned in a day to day basis.
About assigning extra responsibilities after employees have been to trainings Erik is very clear he mentions that he definitely assigns more responsibilities “otherwise you have missed the purpose of the training in the first place”

Career development
Sometimes Erik asks employees where they see themselves in five years, and what they want to do then. Erik tells us when he sees they are working towards a goal like opening for example their own store he tries to encourage them and tell them that they can build a career at Verhage. Erik also shares that the chance of success is not very big “it really depends on the person and how committed they are but the opportunity is there I am an example of that”.

Recognition and rewards
Erik says that he doesn’t address the bad performances during bi-annual appraisals because he works with the employees daily and if something goes wrong he likes to correct them at the spot so they can learn from it. In the bi-annual meetings with his employees, Erik tries to be positive and mention some points of attention they can work on and if they do so they can get raise or a little bonus to stimulate the behavior. With regards to positive achievements by the team, Erik likes to reward those by doing something fun to keep them motivated and excited to perform well.

Erik also recognizes that financial incentives only have a short-duration effect when it comes to performance enhancement and people get used to it according to him. Erik tries to reward employees by giving them some special tasks that nobody else normally is allowed to do and because of that he sees more effect with regards to pride and motivation then gained from financial rewards.

In addition, Erik organizes a trip or a dinner one or two times a year to create some team building but also mentions that it is hard to close down two franchises for a day or an evening also financially.

Leaving the organization
Erik tells us that the reaction of someone leaving the organization is very much dependent on the way they leave the company. If it is in a normal way he will have a talk with them, a feedback moment and Erik likes to organize a dinner or something like that. However when the employee leaves in a bad way like stealing or something no exit interviews or anything else is conducted.
5. Analysis

Verhage and HR strategy
Verhage Franchise is a small to medium enterprise (SME). This means that Verhage does not have a full-fledged HRM department nor employs a specific HR strategy. Unlike assuming that strategic HRM has to be employed to reach the goal such as retention as stated for example by Armstrong “strategic HRM is an approach that defines how the organization's goals will be achieved through people by means of HR strategies and integrated HR policies and practices” (2009, p. 29).

However Verhage still employs certain traits of an HR strategy by putting an emphasis on training and development, career management and franchisor support. Verhage emphasizes that they find it important that the employees in the store are educated, but this cannot be realized if employees change every month (Martine Assenberg van Eijsden, 2013). Thus, we can assume that Verhage as an organization values retention and tries to achieve this through trainings they offer. However, these are not their own employees they are training because they are employees employed by the franchisers. Verhage has thus as a goal facilitating tools to enhance the retention within the franchisees businesses.

Verhage takes on the supporting role by supporting employee and franchisee with the hopes of recruiting high-skilled employees from their franchisees and turns them into franchise owners themselves. As mentioned by Longenecker, Moore and Petty, small organizations such as in our case the franchise location often do not have an HR department. Therefore, the general manager often takes the responsibility of all HR activities (Longenecker, Moore and Petty, 1994, p. 490) In addition, Barney states that the manager takes over these tasks even if this person does not have the correct knowledge or skills (Barney, 1991, p. 116-117).

In Verhage’s case, this lack of knowledge is filled by organizing franchisee trainings and make documentation available to the franchisers with regards to the issues around retention. Adding to that is that Verhage recruits most of its franchisees from inside the organization which ensures familiarity with the organization and experience in the field. So even though there is a lack of an HR manager within the franchises, the franchisees possess the appropriate skills and knowledge to address HR related problems accordingly and set up their own practices regarding HRM and all its facets. Although Verhage has not set a vision statement, their aim is definitely to fulfill stakeholder needs by providing training and career development to its main stakeholders being its franchisees, its employees and the employees of its franchisees. This is in line with what Johnson, Scholes and Whittington state being that HR strategy is the “direction and scope of an organization over the long term, which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations” (2008, p. 3). Even though not employing a HR strategy, Verhage still achieves ‘advantage’ through its competences and fulfilling stakeholder’s needs.

This means that franchises who do not have a designated department for HR practices nor a specialised HR manager within their company still receive the support tools of the Verhage organization that they can use in combination with the on-the-job experience they already possess which helps to retain their employees within their franchise if retention is in accordance with their view on employee management.
Franchisees’ perception on employee retention

All franchisees value importance towards the retention of the low-skilled employees. Interestingly, some implications of not being able to retain personnel addressed by Phillips are costs of recruitment and efforts that need to be undertaken to hire a new employee (1990, p. 50) are not mentioned by the franchisees. Only one franchisee, Danny mentioned that recruitment was an issue when recruiting, but this is according to him time bound as he stated “now they just come running inside”. This implies that in the case of low-skilled jobs, there are less issues with finding new employees.

However, the franchisees’ motivation in why they value employee retention differs greatly. One of the reasons mentioned by Charles is that it would take up to a year to be able to conduct the work independently. This relates with the outcome of research conducted on employee retention of skilled workers by Phillips in which he argues that it takes time and training for employees to reach their peak in productivity (Phillips, 1990, p. 50). In addition, this can also be related with Bernard’s explanation who states that he feels a lack of knowledge within the franchise when a person has left. This shows that the these franchisees’ perception focuses on the productivity of employees and acknowledge that the employees require some skills as these skills mentioned cannot be immediately replaced by any person. This is similar towards existing literature wherein a loss of skilled workers would lead to a loss in productivity (Phillips, 1990, p. 50). Therefore, this shows that an implication of losing skilled employees also applies for the loss of low-skilled employees. This is by Danny as he experienced high employee turnover in the first months of recruiting new workers.

Other reasons explaining the importance of employee retention by the franchisees is presence of a fixed structure. Both Danny and Erik refer to this. With this is meant, that the franchisees see it as important to have a fixed team that needs to do little effort to manage and direction. This is not directly referred to by Phillips, but it can be related towards the time and training efforts required considering productivity (Phillips, 1990, p. 50). Having a fixed team would allow stable productivity levels without need for continuous needs for training which is time consuming.

Notwithstanding, a few of the franchisees interviewed do not necessarily perceive employee turnover negatively. In fact, they see some benefits in such turnover although it has to remain low. Danny sees it as an opportunity to dismiss employees which seem to replace with younger workers to compress costs as these workers have a lower minimum wage. In addition, Erik’s view entails that after having a full-time employee for three years issues arise, either they need to grow in the company otherwise they are dismissed since they will lose interest in the job. This is in contrast to the benefits of retention mentioned by Phillips stated previously. This illustrates that employers in this sector perceive employee turnover with more convenience as to skilled employers. That can confirm that concerning low-skilled jobs there is less aim towards retention.

As mentioned previously, the franchisees differ when it comes on their view towards retention of their staff. Whereas one all of them value employee retention, some see the use in employee turnover. Research conducted by Maxwell provided a division of two views on retention of low-skilled workers (Maxwell, 2006, p. 26). On the one hand, employers regard employees as easy replaceable and do not see a need to conduct any need to do efforts to retain their personnel. On the other hand, there are employers that see these employees as workers whom have specific skills
and do efforts allowing retaining them. (Maxwell, 2006, p. 26-28) Combining the views of the franchisees with the outcome of Maxwell’s research show it does not completely apply. With regards to the franchisees who value employee retention and try to avoid employee turnover, this relates with the view that employees have specific skills requiring doing effort to retain them. However, considering the franchisees that can see advantages in employee turnover, they still do efforts in trying to maintain the employees (e.g. both have given in the past financial incentives). This contrasts with the outcome of Maxwell which only leads towards two extremes. Therefore, we can see there are more views from the employer rather than just two contrasting perspectives on low-skilled employee retention. This displays that more factors have an influence on employee retention.

Even though that all the franchisees value employee retention. Not all of them conduct exit interviews. An explanation can be that all the franchisees rate their own turnover level as low. Nonetheless, this does not mean there is no turnover at all. Armstrong argues that when an employer wants to improve its retention, he or she must be aware what factors influence the employees’ decision to leave (2009, p. 54). Armstrong continues by naming an exit-interview as a suitable way to do so (2009, p. 54). Out of the five interviewed franchisee only two really conduct an exit interview. They view it as important to conduct such an interview to explain why they are dismissed of to learn why the employee chose to leave. Nonetheless, even when the other franchisees do not conduct an exit interview they have a brief conversation to know the reasons why the employee leaves. This shows that the franchisees are aware in many situations what has led the employee towards the decision to leave. These conversations gave the franchisees a view on the main explanation in which the employees left.

The majority of the turnover cognition was related to towards the education of the employees. Another reason that lead to turnover cognition was availability of another job. However, these employees are mainly youth. Maxwell identified youth as one of the main groups of employees in low-skilled jobs (Maxwell, 2006, p. 9). Furthermore, Maxwell states that these youngster are often temporarily in this low-skilled market as they are continuing their education and gaining work experience which eventually allows them for better job alternatives (Maxwell, 2006, p. 9). This is related to the turnover cognition in which these youngsters are led by the perception of having better job alternatives which could have led to their decision to leave the organization. With regards to the psychological contract, employees would leave on the moment they would have the perception that the employer does not meet their expectations according the reasons provided by the franchisees, only one employee reasoned that he or she left because of having lost interest in the work. This is an example wherein the employer could have not met the expectations of the employee. This can be due to limited efforts due to the repetitive work which is common in low-skilled jobs. Looking at the reasons why the employees left, the majority that left did not leave due to the perception that the employers did not meet the perceived requirements of the employee. For this reason, the main reason why employees left was that they became overqualified for the low-skilled work since they were still youth who were continuing their education. This indicates that the majority of the turnover is not directly related towards a breach of contract which in its turn means that the employers meet the expectations of the employees.

This means that the franchisees value retention of their low-skilled employees despite a small variation in the view of the franchisors with respect to the implications employee turnover brings
forth. Due to the franchisees drive to retain employees and the effort they put into retaining employees we can see that the franchisees are interested in the reasons why an employee leave the organization. By conducting interviews with employees that leave and their feedback, franchisees have identified that most employees leave for reasons that are not related to the job but are mostly caused by external factors such as not being able to combine work and studies anymore. From that we can see that the franchisees use their experience and tools provided by Verhage to achieve retention which also explains why the franchisees consider their employee turnover fairly low.

Contingency approach
The variety of franchisees allowed an insight that different practices are applied in managing the employees. Charles shows clearly the impact location has on the salary of the employees. He states that he offers a salary which is significant higher than the minimum wage as there are many job opportunities in the region as it is a popular tourist area with many job opportunities. Contrasting, Danny is located in a shopping center is focused on keeping these costs compressed. In addition, Erik owns two franchises which influences the picture of his ideal full-time employee since he must be confident one of his franchisee is in good hands when he is not present. As there are differences in the approaches, a relation can be made with the contingency approach. According to the contingency approach there is not one set of HRM practices which applies in any situations wherein the organization is active but that that the right HRM practices depend on the situation of the organization (Boxall and Purcell, 2011, p. 69-71).

This implies that there are no universal sets of practices for the franchisees since they operate within different settings. Thus, it implies that there is no set of a set of tools to address low-skilled employees and the retention as different practices apply in different situations. The different requirements we set upfront to select our interviewees have thus shown that different setting thus influence the set of HR tools used with regards to retention.

Practices in the organization
The tools that strategic HRM uses to achieve employee retention can be split into two main approaches as can be seen in figure 1 where these employee retention approaches are split up into retention of skilled employees and low-skilled employees. As there is a clear distinction in the literature between low-skilled and skilled employees and the tools causing retention, it is our aim to analyze these tools and their implementation within the businesses of our interviewed franchisees. In this way, we can see differences between theoretical and practical approaches towards employee retention of low-skilled employees and contribute to the existing theory with our findings. The following analysis is done on four levels being recruitment, training and development, recognition and rewards and career development.

Recruitment
With regard to recruitment to achieve skilled employee retention the literature suggests that first the organization must first define the requirements the organization has in terms of attracting new employee’s Armstrong (2009, p.515) In addition, Boxell and Purcell state “Firms need to attract and nurture people with the kind of abilities that will make the organization productive in its chosen industry” Boxell and Purcell (2011, p. 194). However Maxwell argues that in the case of low-skilled jobs less skills are needed then skilled jobs (Maxwell, 2006, p. 3-5). The same author adds
to that requirement of fewer skills can be an explanation of the lower requirements of employer to fill a certain position (Maxwell, 2006, p. 3-5).

When looking at the empirical material collected, it can be said that implementation of the setting requirements before starting the recruitment process very much varies. Danny for example states that “you look which criteria this person meets and which he doesn’t and what you can learn to this person” implying that even though he sets certain requirements other tools such as HRM can aid in hiring a person that does not fully meet requirements. Adding to that Bernard mentioned that in his vision the ideal employee is not fun for the customer and that the customer requires some diversity when it comes to service. This can be perceived as that selection on requirement is not done before hand is not made which coincides with Charles statement that choosing an employee really depends on the gut feeling. “You know when someone sits in front of you within two minutes whether he is fit or not”. Charles further adds that he thinks everyone deserves a chance and thus mostly tries to work with the recruit anyways.

However Erik’s statement that “having the ideal employee in mind in terms of recruitment can be different every time” in which he adds that making fries is not rocket science even though it is harder than it looks everyone would be able to learn it making his requirements very broad. The interesting fact that Erik shared with us however was that were for a part-timer his requirements might be broad, for a full-time employee his requirements are definitely much more specific. Because he owns two franchises and can’t be there all the time because of that he needs someone reliable and thus he has requirements he needs to see fulfilled when recruiting a full-timer, he mentioned that someone with a house needs to pay for his mortgage and thus has to show up for work for example. This statement confirms both Armstrong’s and Boxell and Purcell’s statement that there is a need for attracting people that make the organization more productive and that organizations need to define requirements prior to recruiting Armstrong (2009, p. 515), Boxell and Purcell (2011, p. 194) but also confirming Maxwell’s statement that the job needed within the franchise require lower skill and thus the requirements of the franchisor might be lower due to that fact (Maxwell, 2006, p. 3-5).

Concluding, we can say that the requirements of the employee depend on the franchisee itself and the situational factors such as not being able to be present in the organization at all timers requires more stable and reliable employee’s for example and thus increases the requirements set in the requirement process allowing in this case a combination of both skilled and low-skilled approaches to be put into practice to achieve the desired result of retention.

With regards to acquiring potential candidates within skilled employee recruitment, Windolf states that a recruiting strategy should include headhunting, advertising and networking to source the best candidates. (Windolf, 1986, p. 240). Orlitzky adds to that that some organizations can find candidates more easily some organizations have the privilege due to the fact that they can offer superior pay, training and career opportunities or external factors such as brand reputation (Orlitzky, 2007, p. 281). Verhage does have training and career opportunities to offer which will be discussed later in the analysis however, from the empirical material the benefit of these opportunities did not become evident in attracting more participants.
Whereas the ways of acquiring low-skilled differ from recruitment in skilled jobs this is mainly attributed to the fact that organizations operating in the private sector compare the costs with regards to recruitment of employees with the complexity of the tasks that employee has to perform (Maxwell, 2006, p. 73). Recruitment practices for low skilled jobs include newspapers, and mass advertising. However when consulting the empirical material, we can see that the franchisees do not use newspaper advertising and mass advertising very much. Charles and Danny stated that both have used advertisements to acquire possible candidates and where Charles mentioned that he finds this way of recruiting not successful. Danny simply mentions that the need of advertising is not there. Three to four years ago, an effort had to be made to fill positions and advertising helped with that. However, now the situation shifted into that candidates present themselves in the store thus nullifying the need of advertising and the costs that come with it. Maxwell adds to this with his research that a manager values having accurate information on the candidate especially in the low-skilled sector (Maxwell, 2006, p. 73). This can be achieved by referrals of employees referring to friends that are looking for a job. This happens when the employer informs its employees of new job positions that need to be filled and thus saving out costs of expensive advertising (Granovetter, 1995, p. 81) When comparing Maxwell’s (2006) and Granovetter’s (1995) statements with the empirical material retrieved, we can clearly see that Maxwell (2006), Windolf (1986) and Granovetter’s (1995) are partly right in the sense that managers prefer personal contact and that this also saves costs of advertising. This can be assumed because every franchisee interviewed mentioned that they look for personal information in interviews adding to that the franchisees mentioned that candidates walk into the store to apply for a job without any advertising, use of newspapers, or headhunting. This means that Maxwell (2006) and Windolf (1986) suggested other forms for low-skilled and skilled recruitment are not practically implemented franchisees employ network referral as the recruitment selection of choice to source new candidates for open job positions as is confirmed by Charles who states that he tells his employees about a new opened position and “they tell their friends and like that it goes around” Erik states something similar by saying that if he needs to fill a position one of the employee’s often knows someone that is looking for work and that is how he then sources candidates.

With the topic of recruitment in mind we can clearly see that the authors make distinction between skilled and low-skilled measures to recruit. However, in practice the plan of action regarding recruitment is very much only a part of both low-skilled and skilled recruitment measures. Franchisees in practice prefer to know as much personally about the participant as possible. Adding that they look for employee’s through the network of friends of their employees as mentioned by Charles and Erik makes this acquiring of personal information easier. To conclude we can state that from both low-skilled and skilled recruitment only two suggested parts by both Maxwell (2006) and Windolf (1986) are used and these are both mentioned in both skilled and low-skilled.

Training and development
All franchisees value training of its employees as important. They see the value of training that it allows the employees to correctly execute their work as well as to meet the demands of the customers. Maxwell argues that the employees are mainly trained to ensure the low-skilled employees are able to do the necessary tasks of the job. This is also the case for three of the franchisees, who see the basic training offered by the franchise as sufficient towards new employees to do the job. In addition, Noe et al. view of training on skilled employees is that it concerns learning and gaining new skills to be able to perform the tasks of their position (2008, p.
These two views between Maxwell and Noe et al. both look towards training of skilled as well as low-skilled workers in a similar way. In addition, most of the franchisees interviewed share this perception. Thus, there is a common view with regards to gaining skills required to perform the work.

The way of learning offered by Verhage differs between formal and informal training. The franchisor offers the trainings which are formalized trainings. The additional training and development of the low-skilled workers are done informally by the franchisees as the workers learn whilst executing their tasks receiving feedback on the spot. However, this is not related towards specifically skilled and low-skilled jobs. It is more an issue of the size of the organization as smaller organizations tend to apply a more informal learning approach in contrast to larger organizations applies a formal learning approach.

Concerning training towards low-skilled employees that exceed the requirements to be able to perform the tasks of their work, only few organizations do so, although this is with a focus on career development (Maxwell, 2006, p. 92) which will be mention later on in the analysis. With regards to skilled workers, Armstrong argues that training and development is to grow an employee's potential and its abilities (2009, p. 535). This refers to expand the knowledge beyond the required skills to perform the current position. Bernard and Erik provide additional training. Erik provides more guidance towards the employees to ensure they perform their tasks well to get the utmost out of the employees. In addition, Bernard provides additional training in providing skills towards social hygiene and safety officer. These are trainings which are not necessary required for the position of the low-skilled employees. These two franchise owners did not conduct those trainings with a focus on gaining skill to achieve promotion. Thus, they embrace the approach of Armstrong that is concerned with getting utmost out of the employees (Armstrong, 2009, p. 535). This illustrates that low-skilled workers are also trained besides meeting the requirements of their job, which shows a similarity to the training and development of skilled employees.

In addition, the franchisees offer the employees responsibilities. This is mainly related as an outcome of training as mentioned by Erik. As soon as employees have the required skills to execute the tasks of their job, employees can receive responsibilities. In this way, employees continue to learn after the training. This will teach the employees to alternate between tasks within their job allowing to develop new skills and knowledge (Noe et al., 2008, p. 400). Thus, even though that most franchisees offer training to allow to master the required skills of the job, they continue to develop the employees which steps away from the view of Maxwell and leads towards Armstrong’s view where more focus is put on maximizing the potential of the employees increasing their knowledge. Furthermore, according to the franchisees, the employees also value the training and perceive it as fun whereas repetitive jobs are often perceived as boring. Increased responsibilities caused by the training offered by Verhage increases the variety in tasks that the employee can execute which causes the job to be less repetitive and more enjoyable because of that. We can thus conclude that training and development helps in keeping the repetitiveness of the job the employee has to perform low and positively influences retention.
Career development
Maxwell argues that there are opportunities to grow within organization employing low-skilled employees, but this is with the requirement that employees need to expand their existing skills (Maxwell, 2006, p. 3). Furthermore, Pergamit and Veum state that internally promoting employees with low-skilled positions is enhanced when the skills of the job a step higher on the ladder are an expansion of the existing skills (1999, p. 600). This indicates that training and career development are interconnected in low-skilled jobs. Verhage offers trainings to expand the existing skills towards employees who are recommended by the franchisee. Therefore, Verhage meets both requirements which enhances the possibility to grow internally. This has been the case as well for many of the franchisee owners as the majority has started at the bottom on the ladder. For this reason, many franchisees support employees to grow. Anton is a clear example, four of his former employees managed to develop towards a franchisee.

Armstrong sees advantages of career development of skilled jobs in general for as well the organization and the employee. The employee will be able to get the utmost out of their potential by developing a career and the organization is able to have suitable candidates for open position higher up the career ladder of which the organization is certain whether the person meets all the requirements. (Armstrong, 1992, p. 159) Looking back towards Verhage, there is a match between this view and the approach the franchisees and Verhage have towards career development. There is only one addition, another benefit for Verhage as a whole is that career development also leads towards the growth of the organization through the increasing amount of franchisees. Thus, in there is a positive approach within the franchisees towards career development despite the fact that it mainly employs low-skilled employees. Therefore, these opportunities aid in developing low-skilled workers towards skilled employees.

Rewards and recognition
Rewarding employees is done in consideration with the value they have to the organization, according to Armstrong (2009, p. 736) He further mentions that this has to be done “fairly, equitably and consistently” with the aim to ensure the needs of the organization and its stakeholders are met in terms regarding a positive relationship between organization and employee (Armstrong, 2009, p. 736). Armstrong continues that implementation of a reward system is done to achieve certain goals such as retaining high-skilled employees and creating motivation and commitment towards the organization but also create commitment and company alignment (Armstrong, 2009, p. 737). With regards to rewards and recognition in low-skilled jobs there is however not much information available. However comparing low-skilled and skilled employee’s with regards to rewards and recognition it can be said that there is a difference in the type of rewards and also the effect of the given rewards and recognition.

Where in skilled jobs the emphasis on rewards is being laid on financial, non-financial rewards and the combined version known as total reward management, in low-skilled jobs the emphasis lies only on non-financial rewards according to existing literature. Siebert and Zubanov’s explanation for lack the lack of financial rewards is that it could be attributed to the fact that sectors which employ low-skilled workers are affected by little increases in costs in terms of their viability (Siebert and Zubanov, 2009, p. 304). When looking at the empirical material collected it is evident that non-financial rewards are the most common practice only. Anton and Danny share with us that
they are giving employee’s financial rewards on occasion but *Erik* mentions that according to him financial rewards only have a short-term effect when it comes to performance enhancement and people get used to it. He continues that he tries to reward employees by giving them some special tasks that nobody else normally is allowed to do. *Erik* says that in this way he sees more effect with regards to pride and motivation then gained from financial rewards. This confirms that rewards do in fact allow for shaping the workforce and aim their commitment in the way the manager wants to go, an example of this is rewarding behavior that the organization finds important and so creating a positive attitude between employee and organization (Armstrong, 2009, p. 737). *Danny* for example sees giving more responsibilities to the employees as a reward. As a result, he notices employees to be more proud of themselves but this allows him also to shape his employee’s and put them in a more responsible situation acquiring extra benefit from the reward himself by shaping them into this position.

When looking at the empirical material most of the franchisees refrain from financial rewards in their organizations. They do this for various reasons Erik finds that financial rewards have little effect, Bernard mentions that salary is already a reward for the labor itself it is also hard to give out rewards due to tax regulations in the Netherlands. Where only *Charles* confesses to pay a higher salary then average, this is mainly due to the high competition in the high season and employees have a large choice of employers, this higher salary makes sure they are less likely to leave mid-season. While the empirical material shows a refrain of financial rewards all franchisors employ non-financial rewards both on individual and team level these are often linked to recognition of good performance.

Individual non-financial rewards within the franchises usually come forward from one on one conversations and bi-annual performance appraisals such as mentioned by *Anton*, *Charles* and *Erik*. The three of them see definitely a change after recognizing good performance and assigning more responsibility as a reward. *Charles* adds to that that although it is only temporary, he is aware that employees get a boost when they are told they do things well. *Danny* sees that giving more responsibilities to his employees as a reward results in his employees being more proud of themselves. *Erik* tries to reward employees by giving them some special tasks that nobody else normally is allowed to do and then he sees more effect with regards to pride and motivation then gained from financial rewards.

With regards to rewards to on team level these are done out of two situations being achievements by team such as reaching a milestone or ranking high in the best franchise of the year. This franchise of the year is a prize is awarded towards the best franchise. This prize consists out of a cheque which can be spent by the franchise on a getaway with its team. (Martine Assenberg van Eijsden, 2013) In addition franchisees all mentioned that they organize company activities for their employee’s however *Charles* says it can be seen as a reward, but he continues “if business is bad, we do it as well” *Danny* adds to that that he does not perceive these getaways as a reward of their performance.

We can conclude that implementation of a reward system is done to achieve certain goals such as retaining high-skilled employees and creating motivation and commitment towards the organization (Armstrong 2009, p. 737). But this is truly dependent on the situation and the reason behind the reward, individual rewards seem to stimulate employees according to the franchisees
but team rewards not necessarily and are not always organized to promote good performance. Practical evidence however does show that in the franchises financial incentives rare due to the classification as low-skilled work, this has both a motivational and cost reason which is in line with Siebert and Zubanov statements (Siebert and Zubanov, 2009, p. 304).
6. Concluding discussion

The following chapter will conclude our research as we will present the outcome of our study compared to the purpose and draw our conclusions from correlations and contradictions between theories presented in the theoretical framework and the empirical findings gathered through our interviews which will answer our research question. The purpose of our study is to increase the understanding of the practices on employee retention of low-skilled employees in the Dutch fast food industry. In the process to reach the final conclusion stepwise, the three sub-purposes mentioned earlier in this research will be addressed. The first sub-purpose is to identify how managers in the fast food industry consider employee retention. This is followed by second sub-purpose to recognize the current HR practices in low-skilled employee retention. Finally, the third sub-purpose is to identify how franchisees implement different sets of HR practices.

6.1 Conclusion

Verhage is a franchise organization and does not have an official HR department due to its size. According to Armstrong, an HR department is needed because it defines how the organizational goals are to be achieved by people through the means of HR strategies and HR practices and practices (Armstrong, 2009, 29). However, while Armstrong suggests an HR department should be in place, Verhage is a franchise organization and we see all its franchises as individual organizations operating under the Verhage name. None of these franchises have a HR department. According to Barney (1991, p. 116-117), this should mean that HR tasks are executed by the manager, even though, he does not have the correct knowledge or skills. In contrast to Barney’s (1991, p. 116-117) statement a franchisee does not have an HR department, but still has the appropriate skills and knowledge gained from Verhage's head office through training. We believe that an HR department is not needed in this situation due to Verhage’s support role towards franchises. This contributes that franchisees who do not have a designated department for HR practices nor a specialized HR manager within their company can still address retention as long as they receive support tools of the franchisor that they can use in combination with the on-the-job experience they already possess which helps to retain their employees within their franchise if retention is in accordance with their view on employee management.

To answer our first sub purpose how managers in the fast food industry perceive employee retention, we found during study that all franchisees see employee retention as important. Philips suggested some implications of employee turnover (1990, p. 50) which are increased efforts in recruitment and time undertaken to hire a new employee and that it is time consuming to train new employees. However, based on our analysis, we found that there is a big variance in between franchisees opinion on employee retention. Whereas one franchisee sees it as cost effective, another franchisee values a fixed structure that needs little effort to manage and direct. Both the franchisees and the gathered literature show an importance in employee retention, but empirical findings show that after three to four years employment without any growth within the organization will make retention more difficult as motivational factors disappear. Our opinion is that literature fails to address that employee retention is not a continuous process when there is no opportunity to motivate the employee. Empirical findings show in combination with the psychological contract that either an employee needs to grow within the organization or otherwise daily practices become a habit. As a result, the franchisee will not be able to meet the perceived requirements of the employee's psychological contract which in turn negatively affect the
organization. Therefore, we contribute that it could be better to discontinue the contract if no growth opportunity is available within Verhage or the franchise. In addition, based on the reason which led the employees to leave Verhage, we can see that the main reasons are not directly related towards to work itself even though low-skilled work is often very repetitive. Thus, we also contribute in the sense that we can see that the franchisees use their experience and tools provided by Verhage to achieve retention.

To answer the second sub purpose of this study which is to study current HR practices in low-skilled employee retention. The practices studied are recruitment and selection, training and development, career development, and recognition and rewards. These practices used according to literature research mainly include low pay, little training, little career opportunities, and rewards through nonfinancial incentives. This shows a view in which managers do not see much value regarding their low-skilled employees. This is in contrast to the findings we derived from the empirical material as to how the franchisees perceive retention. In addition, the franchisees offer more training, career opportunities, a mixture of both financial and nonfinancial awards to reward their performance as well as appreciation.

In answering our last sub purpose to identify how the franchisees implement HR practices, we make a contribution to existing literature as we have seen that these practices in fact differ when situational factors are applied. The franchisees apply different sets of practices whereas literature suggest that low-skilled employees and high-skilled employees should be subject to a certain different sets of practices making a distinction between these two. However, from empirical evidence we can conclude that a fixed set of practices is not in use. Internal and external situational factors such as experience, amount of employees and location of the franchise affect how the franchisee sets its practices towards achieving retention. These practices taken by the franchisee can vary between fixed sets of practices that are designed for either high or low-skilled employees. In addition, to the situational factors also managerial preferences highly influence the practices put into use. Empirical evidence has shown us that franchisees implemented both practices from both high-skilled and low-skilled in a low-skilled environment.

The major contribution we make in this research is made with regards to the practices that revolve around training of employees. As training of low-skilled employees leads towards more responsibilities that get assigned to the trained employees. In addition, due to these offered trainings and increased amount of responsibilities the work of the low-skilled employee will involve of less repetitive tasks than before the assigned responsibilities which allows the work to become perceived by the employee as more enjoyable and thus allows for retaining low-skilled employees and at the same time improve the employee’s productivity and motivation for example.

In conclusion, we have increased our understanding with regards to retention practices where in general a differentiation between low and high-skilled retention practices can be made. We have found that in the Dutch fast food industry, especially with regards to Verhage, situational influences are the determining factor in setting retention practices instead of classifying the employees as either low or high-skilled and making that distinction the determining factor. In addition, low-skilled retention is also addressed by the franchisees. One HR practice which this study identified to be an effective way to increase retention is to offer training followed by more responsibilities making the employees’ work less repetitive and more enjoyable.
6.2 Theoretical implications

During the research into developing an overview of employee retention, limited amount of information was available concerning low-skilled employee retention. In addition, based on the literature that was available, we found a distinction between both low-skilled and high-skilled retention practices. Literature showed that franchisees who do not have a designated department for HR practices nor a specialized HR manager within their company would not always be able to address employee retention in an adequate way. However these companies can still address retention as long as they receive support tools of the franchisor, theory on HR retention strategies could thus expand further on a support role towards smaller organizations. There was only little attention towards other situational factors influencing the development of these practices. Our findings through empirical evidence collected contribute to the existing literature by showing the significance of situational factors (such as the location and the experience of the manager) affecting the choice of practices in order to enable retention of low-skilled employees in contrast to developing practices mainly by focusing on the amount of skills the worker has. Therefore, HRM should take situational factors more into account in the development of HR practices to be effective. Furthermore, the major contribution we make in this research is made with regards to the practices that revolve around training of employees this means that theory on training and development could look at additional benefits of training instead of just productivity and efficiency which is mainly the focus of the literature available now. Expanding on the addressed theoretical implications will allow different viewpoints on retention practices to narrow down the now existing research gap on the topic of low-skilled employee retention.

6.3 Practical Implications

Based on the outcome of our research, we recommend the franchisees to put an increasing effort into conducting a form of exit interviews. At the moment, only few franchisees conduct actual exit interviews. If the other franchisees would put this into practice, they will develop a better overview and understanding of the underlying reasons that influence the employees’ decision to leave. This knowledge will aid the franchisees to develop new or existing practices to further positively enhance retention. With regards to Verhage, we recommend Verhage to continue its efforts in providing a support role towards the franchisees. We would advise to expand this support role providing more tools towards the franchisees towards managing the employees. In addition, we recommend to further develop the trainings offered as it leads towards higher educated employees with increased motivation in their work and towards more commitment to retain. Considerations the fast food industry can make from the results of our research could be the fact that there is no uniform HR practice regarding low-skilled employee retention that works across a whole franchise chain as situational factors influence conditions each business is operating in and thus also the effect of the HR practice applied. Thus, we can say that where one practice might be very successful in one franchise it might not be the most effective practice to use in a franchise on a different location. In addition, our advice to other organizations within the fast food industry is to look at their training programs and to take Verhage as an example. Organizations should not only be concerned to increase productivity but also making training more engaging and assigning more responsibilities to employees after training. This will not only increase productivity but also makes sure jobs do not become too repetitive and employees leaving out of boredom of the job as can be concluded from the research we conducted.
The ethical societal consequences of the outcome of this research is that the franchisees show an ethical approach in which the employees are treated. The franchisees can be seen as managers who provide opportunities to develop and offer rewards as a result of good performance. In addition, one of the results on this approach is that the majority of employees only have left their job due reasons which are not related to the work itself or how they are managed. An indirect result of this approach taken by the managers is that the employees are also more motivated overall in their work which leads towards a better experience towards the customers of the organization and thus increasing the competitive edge of organization.

6.4 Suggestion for further research

Based on the uniqueness of the Verhage concept with its support to the franchisees it would be interesting to conduct further research whether the outcome of the study at hand also applies towards other organizations in the fast-food industry. Furthermore, we have identified the impact of several situational factors on the development of practices to realize employee retention and increased knowledge of certain situational factors such as demographic influences and increased resources to conduct our study could open up an even broader spectrum of practices. Additional research can identify more factors that need to be taken into account with development of these practices. Moreover, this research has been focusing from the perspective on the managers within the organization. Therefore, further research can be conducted both from both the managers’ perspective and the employees’ perspective to develop an understanding if both sides share the same view on practices in the organization if it would lead to the intention to stay. Finally, as this research only studied five cases, it would be interesting to conduct a quantitative study to be able to research a larger amount franchisees.
References


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**Personal Communication**

Assenber van Eijsden, M. (2013). *Interview to provide company background* [face to face interview] (personal communication, 18 April, 2013).

Appendix 1 – Interview invitation

Dear Sir/Madam,

At this moment I am studying a Master Degree in Management at Umea University in Sweden. For my thesis I am conducting a research together with my colleague Ro on the topic of employee retention in the fast food industry. With regards to this research, we would kindly ask for your corporation through answering a few questions which allows us to gain an insight in employee retention ant its role in a fast food business. The questions asked are purely for research purposes and the participation is completely anonymous.

The aim of this interview is to establish a view from a managerial perspective regarding employee retention in the fast food industry. With this information we hope to contribute to further research with regards to employee retention and employee turnover in the Dutch fast food industry. In our research, we will try to make a comparison between different approaches regarding employee retention.

We would kindly like to ask if you would be willing to participate in our research in the form of a telephone interview. The interview will last approximately 30 minutes en would help us tremendously to conduct our thesis. In case you are interested to participate in our research, you will find the questions in attached. You can contact us to settle a date for the interview.

We would like to thank you in advance and we hope you are willing to participate in our research.

Kind regards,

Fabian Vuik en Ro Van den broeck
Appendix 2 - Questions to Verhage Fast Food

Background
1. The fast-food industry is very diverse and with many other companies targeting the same segment of customers.
   - Could you explain what makes the Verhage Fast Food franchise unique within the fast-food market?
   - Does employee retention fit in this uniqueness?
2. Could you give us insight in who your most important competitors are?
   - In what way is Verhage franchise more attractive towards your target group?
   - On what level is Verhage competing with these competitors? (e.g. price level, or quality)
   - With regards to cost cutting where would Verhage fast food cut first: Product, People, Marketing
   - Is Verhage fast food more Quality or Quantity focussed?
3. How long has Verhage Fast food been active in the fastfood industry?
   - Which part of that period has Verhage been active in franchising?
4. How does franchising fit in the overall Verhage’s overall business growth strategy?
   - Is there a fixed number of franchises Verhage aims to open every year?
5. How many business units does Verhage operate as franchisor?
   - How many franchised units does Verhage currently have?
6. How many franchises did you close in the past 12 months?
   - How many franchises changed owners?

Successful Franchisee Characteristics
7. When recruiting a new franchiser what commodities do you look for as an organization?
   - Someone with a hand on” or “have passive participation” approach.
   - When a new franchiser is recruited does Verhage look within the organization first for a suitable manager or is one recruited from outside
8. What characteristics do Verhage’s most successful franchisees share?
9. Did your successful franchisees have management or business ownership experience before becoming franchisees or? (Please describe the kind of experience.)
   - (if no) Did they grow within the company from the bottom level to the business owners they are now
   - How does Verhage ensure Quality and how is this checked?
   - Are there any quality control measures
   - Are there any penalties for not passing Quality control or rewards for scoring above average?

Financial Information
10. How do your franchisees typically finance the startup costs? Do you as Verhage the franchisor offer any financing or does it have to be funded from own capital?
11. What are the royalty fees? What are the marketing fees?
   - Is there one uniform fee (franchise fee)
12. What does Verhage Fast food define under the term of Hard franchise
13. Are there risks associated with this franchise agreement?

**Legal considerations**

14. How are employer conflicts solved is it by the franchisor itself or the corporate?
   - Does Verhage have any power over the franchiser in terms of employee recruitment and retaining of employees?
   - Does Verhage have the power to cancel a franchise agreement?
15. What customer litigation, if any, have you had? How was it resolved?
16. Are there any labor laws that Verhage Fastfood needs to consider?
17. Are there any restrictions in terms of employment enforced towards the franchisor? (age restriction etc.)
18. Does Verhage Franchise have the power to terminate employee contracts that have been signed by the franchiser?
19. How long is the term of the franchise agreement? Can the agreement be renewed? At what cost? Under what conditions?

**Training and Marketing**

20. How does Verhage Fast food build brand recognition?
21. Does Verhage Fast food offer guidance in recruiting of employees
22. Do you provide operations training?
   - Is there on-going support available to franchisers?
23. Will you or your Field Support Representative assist me in finding a location for my franchise operation?
24. Does the franchisee have any input into the operational or management decisions of the company?
25. Please explain how you facilitate the relationship between franchisee and franchisor?
   - How do you encourage interdependence of the franchiser to the corporation?
   - How do you encourage alignment of the franchiser towards the organization?
   - Is there any way you encourage franchisers employee’s commitment to the organization? (teambuilding)

Does Verhage Fast food currently have Incentives in place being financial or/and non-financial incentives?

The career development opportunities that Verhage fast food offers are they:
Paid by the franchiser?
   - Is the personnel in training employed by the franchiser or the corporate?
   - Is everybody eligible for career development or are they “headhunted” by the corporate or appointed by the franchiser?
Appendix 3 - Questions to the franchisees

Introduction:
1. When did you start working at Verhage?
   - When did you start your own franchise? (did you have a different function within Verhage prior to starting the franchise)
   - Did you work at a different company within the same sector before starting to work at Verhage?

2. Are you responsible for multiple franchises?
   - How many franchises are those at this moment?
   - How many employees do you employ in total?

Employee Retention:
3. What is your view on employee retention?
   - Do you think employee retention is important?
   - Why is it important/not important?

4. Do you have policies or guidelines in place at this moment with regards to retention of employees?
   - Are these guidelines or policies enough to retain employees at the moment?
   - Do you think other factors play a role with regards to employee retention?

5. How do you see employee turnover in your franchise?

Recruitment of employees:
6. Could you describe your recruitment process when looking for a new employee?
7. What is your perception of the ideal employee?

Training and Development:
8. How important do you consider training of new employees?
9. Would you like to see training in additional area’s for your employees?
10. Do you think employees value the offered training?
11. Do you assign more responsibilities to the employees after time?

Recognition and Rewards:
13. Do you discuss good or bad performance with your employees?
    - Are there any positive or negative consequences to this bad performance?
14. How do you reward your employees?
15. Do you see any difference in behaviour or performance after recognizing good behavior?
    - Are they more proud or satisfied?
    - Do they also work harder?
16. Do you organize any activities for your employees?

Feedback:
17. Do you conduct exit interviews with your employees?