

The role of HR Management in reducing voluntary employee turnover rate in a VUCA business environment

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Supervisor:
FH-Prof. Dr. Gabriela Leiß

Author:
Ingólfur Páll Ingólfsson
1810622001

Date:
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Innsbruck 15/05/2020

Ingólfur Páll Ingólfsson

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Abstract

The purpose of this study is to understand the strategies that companies in the IT sector are taking to decrease their voluntary employee turnover. A comprehensive literature review was undertaken, as part of the research qualitative design. The research was conducted as semi-structured interviews with key respondents (n=8) of the selected industry. The research approach is inductive, with the purpose of analysing data to highlight key factors that affect employees job satisfaction in the IT sector. The findings show that by fulfilling the motivational factors predetermined by the employees, creating team spirit and offering flexibility in the everyday work life, increases the job satisfaction of employees and lowers the possibility of voluntary turnover in the near future. The IT companies researched in this paper spend time to make sure their employees are satisfied and stimulated in a positive way. However, having a more strategic approach could lower voluntary turnover even further. The areas improvement identified were to support the employees reaching their personal goals along with creating opportunities for them to grow internally.

Key words: IT companies, Communication, trust, flexibility, team spirit, flat hierarchy, career development, employee retention

173 words

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List of abbreviations

B2B	Business to Business
BEVUCA	Business Excellence in Volatility, Uncertainty, Complexity, Ambiguity
HR	Human Resource
IT	Information Technology
VUCA	Volatility, uncertainty, Complexity ambiguity,

Introduction

In 1965 Gordon E. Moore introduced a vision that has later been defined as Moore's law. It is based on his analytical insight, already formed in the early second half of the 20th century. Moore assumed that the development of integrated electronics would be on a large scale. Furthermore, that the number of components per integrated circuit would increase drastically and the cost of manufacturing per component would drop a tenth of that cost in only five years (Moore, 2009, pp.33-35).

Moore's law has stood its ground throughout the years and we are now faced with a viral computerized business environment that is completely dependent on information technology (IT) to function. In fact, the business environment is becoming ever more unpredictable as the global competition increases, and it has proven challenging for organizations to keep up with the latest trends and technological advancements. The rapid growth within the field of information technology has in return created a demand for employees educated within the field. With the technological advancements there seems to be a rapid growth in technologically based jobs within the business sector. Laloux (2014, pp. 61-99) introduced self-management as a process where the so called 'advice process' is used as a key when making decisions. It has become an important tool within many organisations, which in return entails a shift in structure as Human Resource (HR) departments had prior to this not been considered key players in decision making within organizations. This has happened despite previous research on the importance of HR departments within organizations indicating that an organized HR department is of essence in order to keep a sustainable competitive advantage (Kataria, 2014, p.1). Furthermore, the positioning of HR is correlated with characteristics of the organizational context (Nadiv, Raz & Kuna, 2017, p.1142). Despite this, it seems like the importance of HR correlated jobs are not something that is considered vital during the start of organisations.

One of the complications of globalization is a high turnover rate of employees within organizations (Pawar & Chakravarthy, 2014, p.835). With the increased turnover ratios of employees, especially within the IT sector, retention strategies to maintain the staff members within the tech sector could become a vital factor for their future success. This

research will look at how IT companies are adapting to the changing environment where company loyalty amongst employees is noticeably decreasing. Also, how employees are feeling towards their employer and how they feel about their job security in the sector they are working in. The motivational factors behind employees' decisions to work in the sector will also be analysed, in search of patterns of satisfaction that could give IT companies an area to focus on in order to maintain their employees. The research will furthermore map how the employees experience the dedication of those responsible for human retention management within their organisation towards them and what steps are being taken in that area. An important note to bear in mind is the fact that not all organizations have a HR department. In those cases, a decision maker is usually involved in the HR procedures. A discussion point with the interviewees will therefore also evolve around who they contact in case of HR related topics and how they evaluate the communication that takes place. The effects of the unpredictable Volatile, Uncertain, Complex, ambiguity (VUCA) environment organisations face will be used as a structure for the environment IT employees work in.

The IT industry has been chosen as the focus point in this research for several reasons. The IT industry is a fast-growing industry that has situated itself as one of the most important job fields in the global economic environment. When the expansion happens within such a short span of time, there is a risk that certain factors are halting, such as the general value assessment that should be in place for employees working within the field, which directly links to their rights and needs. Due to this, the IT industry offers an opportunity to research how the results of a VUCA environment is affecting job satisfaction and job security of young employees in the information technology sector. The interviewees will consist of individuals within the IT sector, who are working within organisations identified as Start-ups, companies who are fighting for their share on the market and have to grow fast in order to be compatible with competitors. The interviewees will be individuals who have recently finished their studies and are taking the first steps in their career. Furthermore, the choice draws on the fact that they are the future of the workforce in the IT sector and will provide valuable knowledge that organisations should acknowledge and focus on retaining.

1.1 Problem Statement

This section of the proposal will turn its focus towards the research gap identified within the organizational structures in the IT sector. As organizations are expanding, the HR department is faced with the complications of keeping their employees. The implications do not cover the IT sector and there is lack of information of employee satisfaction in the sector.

Employee turnover rates is the rate at which an organization acquires and loses employees. It is further categorized into two dimensions, voluntary and involuntary turnover rate (Anvari, JianFu & Chermahini, 2014, pp.186-190). Research shows that the negative effects of voluntary employee turnover in small organizations was mainly in productivity and continuity of the business (Keller & Conradin, 2020; see also Gialiusi & Coetzer, 2013, pp.55-68). Analysis done by the online networking platform LinkedIn, on their half-a-billion members on their social media revealed the turnover ratio rate of 10.9% of their members in 2017. Further analysis revealed that the sector with the highest turnover rates turned out to be the technology industry with an employee turnover of 13.2% (Booz, 2018). The analysis on the research data suggested that the reasons for such a high turnover is the demand of skilled employees within the industry as well as the fact that compensation packages are increasing which not all companies are able to compete with, due to their financial situation. Almost half of the employees departing their jobs within the tech industry took another job within the same industry (Booz, 2018). These facts give a reason to believe that there is something underlying in the working conditions within companies that is affecting the employee satisfaction and their decision to switch to another employer.

In light of that, the thesis will set focus on identifying the key reasons behind the voluntary turnover amongst employees in order to reduce the voluntary turnover of human capital in small to medium sized organisations, within the IT sector. The organisations which the interviewees are working for tend to be small and without a dedicated HR manager. Due to that, the research will focus on using the data collected in the research to pinpoint certain focus points that organisations can bear in mind when maintaining communication with their employees, with the goal of increasing employee satisfaction. The research will identify the person within the organisation that is responsible for HR procedures and look

at how employees are experiencing the balance of the organisation when an HR employee is not available to take care of their needs.

As previously mentioned, the quick shift from local to global competitiveness and the newest technologies in the field of IT has called for an increased demand in an educated and skilled workforce. This has led to a surge in job opportunities for workers within the sector, resulting in a high competition amongst companies for the skilled workforce. Workers are getting well compensated and as mentioned previously, receive big compensation packages. With the globalization resulting in increased competitiveness, employees responsible for human resource tasks in organisations are under ever more pressure to find and retain talented employees. There are indications that this has proven to be challenging as the increasing competitiveness results in a work environment where retainment of a skilled workforce seems to be hard to come by. In the environment of business where money can be considered as a controlling power, it can be argued based on the previous acknowledgments that employee retention can save the respective organisations a magnitude of financial resources and knowledge in the long run. Thus, it is logical for organisations to get cracking on mapping their employees wants. One could even describe it so that it is of great importance for companies to embrace this vital topic and acknowledge that it resides within management. This in return puts even greater demands on the management:

A good manager is a student of cause and effect: it is not good enough to be aware of what is happening around you: you have to know and understand why it is happening. Then you have to roll up your sleeves and get in the trenches and do something about it. (Kennedy & Daim, 2010, p.475)

This is a crucial point in the engagement process. It is not enough to be aware of the situation and it is certainly not enough to only approach the employees and discuss the issues when problems arise. It requires a proactive management that is capable of putting out fires when needed, with success. In the research, IT employees will be approached with the topic of retention from the perspective of an employee to see how they feel their employer's management is handling their situation. Whether the employees believe that they are aware of what is happening within the organisation, why it is happening and how they are solving it (Kennedy & Daim, 2010, pp. 474-478). In reality, dissatisfaction with their situation can even lead employees to change their careers completely. There are also

clear indications that the environment in the labour market has become challenging to maintain (Barthauer, Kaucher & Spurk, 2020, pp. 3-10). IT employees decide to completely move out of the sector there is important lack of knowledge that is lost with them. Previous research suggests that there is a need to investigate how organizations and societies can promote sustainable careers and make sure that employees are experiencing safety and are mentally well, even during periods of economic hardship (Greenhaus & Kossek, 2014, p. 379).

1.2 Research Question and Research Objective

The aim of the study is to analyse how small to medium organisations in a VUCA environment are dealing with the high voluntary employee turnover rate they are facing within the IT industry. The goal is to understand how companies in the IT industry try to affect the voluntary employee turnover from the employee's perspective. The purpose of the research is to try to identify if companies have an idea regarding how they aim to keep their employees satisfied and if so which type of intervention or stimulation has proven to be successful in lowering the turnover within these organizations. The research objective will be to create guidelines for organisations to reduce capital turnover. Furthermore, the research will look at employee's satisfaction with current support and situation and discuss their perspective towards their work and employer. It should be underlined that this takes place amidst pressing world circumstances, brought on by the Covid-19 outbreak; an unprecedented situation which is impossible to bypass within the present study.

This thesis will address the following research questions:

- ✓ What are the main reasons behind voluntary employee turnover in small to medium international organisations?
- ✓ How is leadership management in crisis affecting employee bonding and the subordinate's feelings towards their future at the company?
- ✓ How are the crisis affecting the employees?

2. Literature Review

The following chapter provides a literature review that was organized and conducted in order to give an analysed overview of the secondary research conducted. The literature review offers an overview of the development of human resource management under the guidelines of Dave Ulrich and an introduction to previous research that has focused on the importance of psychological safety of employees as a deciding factor when it comes to employee satisfaction. Although the HR role itself is not existent withing the companies, it is necessary to introduce the importance of HR withing organisations. The chapter also offers an overview of the VUCA synonym. The motivational factors behind an employee's decision will also be notified and the Two factor theory will be introduced as a baseline for employee satisfaction. The goal of introducing the VUCA theory is to connect it to previously identified research done in human resource management, specifically on voluntary employee turnover theories and to link it to the increasingly harsh business environment that companies experience in the IT sector. The VUCA theory digs deeper than the technical term of the Moore's law and helps explain how challenging working conditions are within the IT sector. The VUCA theory is especially relevant in the existing uncertain working environment, brought forth by the Covid-19 epidemic during which many countries entered full lockdown and the majority of employees, relevant to this study had to work from home.

2.1 Introduction to Human Resource Management and its significance

From the early 20th century workers unions focused on a modern-day employer-employee relationship in relations to human relations movement (Obedgiu, 2017, pp. 375-379). In the end of the 80's the role of the HR managers started changing from a second team player towards being part of the team that makes key decisions in firms. Research done in the late 90's suggested that HR management had changed over recent years (Ulrich, Brockbank & Yeung, 1995, pp. 473-495). In 1997 Dave Ulrich went on to introduce a business model that defined the four different roles of HR managers. Ulrich identified the four roles of HR professionals as business partners: Those are as a strategic partner, administrative expert, employee champion and change agent (Ulrich, 1997, p.47).

To research and speculate on the future of HR management it is vital to understand where HR managements theory origins. It provides a deeper understanding of the core values of HR management. It further explains the enormous responsibility an individual is taking on when companies do not have full time HR manager and the tasks are put on another manager within the organisation. These four key roles identified by Ulrich have been the backbone of HR management for the last two decades. There are especially two aspects Ulrich's theory that are applicable to the research. They are the roles HR professionals play as employee champion on one hand and a change agent on the other.

Before the internet bubble, Ulrich had already identified, based on the pace of the increasing business, that the internal human resource procedures would have to be able to adapt to change and keep up with the external environment. Failing to do so could lead to loss of competitive advantage amongst organisations (Ulrich et al., 1995, p. 476). This insight has become ever more relevant in recent years as there are in fact signs that companies are struggling to keep up with the technological advancements. As the competitiveness in the external environment keeps on increasing, HR professionals will not be able to compete unless the rate of internal adaptive change is growing at the same pace as the external pace. Already back in the middle of the 90's HR professionals were expected to show competence in the ability to know the structure of the business, show skills as change agents and abilities to deliver change will be successful (Ulrich et al., 1995, pp.474-478).

In recent years Ulrich has discussed the future of HR practices and introduced the 'so what' theory where he believes that HR practices should be focused on an under/inside approach that goes beyond traditional practices of creating value by serving employees but also makes sure that what the organisation offers within, reflects the expectations made outside of the walls of the company. By identifying what the values the organisation can create on the outside, it is possible for it to build on its own strengths and thus strengthen others (Ulrich & Dulebohn, 2015, p. 194).

Before deciding on which procedures organisations should apply in order to retain their employees it is also important to spot which employee is talented and what organisations can do to make their employees talented. In that instance Ulrich introduced a theory which explains how managers can boost the productivity of talent:

At the risk of grossly oversimplifying, we propose that there is actually a deceptively simple formula for talent that can help HR professionals and their general managers make talent more productive: Talent = Competence + Commitment * Contribution. Competence means that the individuals have the knowledge, skills and values required for the jobs that organization has today as well as tomorrow. One company clarified competence as right skills, right place, right job, right time. (Ulrich & Dulebohn, 2015, p. 194)

In the perspective of retention management, organisations can influence both the competence and commitment in Ulrich and Dulebohn's formula. Competent employees who are continuously trained and offered platforms where they can improve their skills are likely to be more committed to the organisation as they are given the opportunity to grow as individuals within it. This could prove important when companies are hiring employees straight out of university, to increase their contribution in the long run, to use Ulrich's approach and apply it to the strategic targeting of employees and offer an environment that can possibly strengthen the individual. Creating a rewarding working environment, can thus in return, lead to less turnover rates within organisations. The research will build on these theories when researching the offers organisations are making to IT employees to retain their employees.

2.1.1 Voluntary employee turnover rate – Importance of applying HR practices

Research conducted into the importance of HR showed that an ineffective HR practice is directly linked to increased employee turnover. It further located the key practices of HR management in order to reduce employee turnover to be the following categories: job design, recruitment and selection induction, training and development, succession planning, compensation, and reward, performance management, internal communication involvement, equal opportunities, employment security and prestige (Devi U & Kirshna, 2016, p. 53). All these categories are something that leaders of HR within an organisation can analyse and reshape so as to successfully reduce the employee turnover ratio. It is important to understand the leadership role HR practices have within organisations and the possibilities they hold to become an even more valuable asset to organisations.

As explained earlier turnover is categorized into both voluntary and involuntary turnover. As the focus of this research will be on voluntary turnover it is important to dig deeper into the terminology 'turnover', and its causes. Turnover in general can have multiple negative effects on organisations, such as financial costs and less productivity. It can also impact social networks and communication, as well as bring forth a lack of know-how which relates to the decreased productivity that organisations often experience during loss of employees. Further on, it can influence the moral of employees within the organisation negatively. (Dalton & Todor, 1979, pp. 225-235).

There is not always a direct linkage between the organisation itself and voluntary turnover. External factors can play a role, such as changes in an individual's personal life that requires moving around, decisions to change professional careers and others factors that are not a direct consequence of an organisations lack of commitment towards the employees (Luz, Paula & Oliveira., 2018, p.86). With that in mind it is safe to assume that there will always be voluntary turnover within organisations and that it is indeed hard to work around the various external factors. In some instances, the turnover can have positive effects on work moral due to a new colleague that brings in different ideas which lead to effectiveness in the workspace. One related example could be of a voluntary turnover linked to an employee who has a history of negative impact on other colleagues and thus conflict reduces in the wake of it (Luz, Oliveira, 2018, p.86). The conclusion of a research done on IT specialists suggests that there are six main variables that directly influence the employee's willingness to leave the position within an organisation. Those variables are organizational commitment, job satisfaction, affective and normative dimensions, dimension satisfaction of the job and finally the age that is negatively correlated with the intention to leave (Luz et al., 2018, p.97).

The exhaustion of IT workers within the sector has been identified to have numerous reasons, which in return affect the satisfaction of employees. The problem was originally identified as a syndrome which can be described as a state of physical, mental, and emotional exhaustion that is caused by complex and demanding situations over a longer period. Moore modified the emotional exhaustion scale and added emotional, mental and physical exhaustion. He further eliminated the option to reference people as a source of exhaustion. This was done to properly narrow the scope of the scale in order to research the IT industries work exhaustion (Shih, Jiang & Klein, 2013, pp.582-589).

Further research based on Moore's methodology included hypothesis that on top of work exhaustion leading to job dissatisfaction or turnover, the environment also affects the depersonalization and sense of personal accomplishment of the workers. This study was applied to the Asian-specific work environment and is limited to this area. However, the results of the research conclude that managers need to be open to the complex complications that burnout has amongst employees and that there are more than just simple factors involved, such as financial gains of the employees (Shih et al., 2013, pp.582-589).

There seem to be two sides on the coin regarding retaining employees. It is not only that they look for other opportunities, the darker side shows that employees can get fed up with hostile work environment and wish to exit. So far, retention management has been identified as a key feature for an organisation's growth and strength. But it does not necessarily mean that retaining all employees is a positive outcome on all occasions. A research done on employees that have searched for a new job but ended up staying suggests that their failed job search results in increased dissatisfaction with their current job alongside increased neglected behaviour towards their tasks and responsibilities. It further suggests that it did not matter how long the respective employees looked for a new job opportunity. These results indicate that managing to make an already unsatisfied employee stay is not the same as keeping employees satisfied. From these results, a speculation can be drawn that a previously unsatisfied employee will not manage to become as satisfied as previously. So, the need to intervene before an employee shows the signs of dissatisfaction could be vital in order to lower the employee turnover ratio. In order to do so it is important to understand what employee retention is.

2.1.1.3 Variations of turnover intentions

In order to dive into the world of human resource retention it is necessary to first understand what retention is, what types of retention exist and what previous research has suggested as the main factors behind an employee's desire to stay or leave an organisation.

The conceptualization behind retention is the intention or decision of an employee to stay or leave his organisation. If an organisation tries to keep its employees and succeeds, this

can be defined as retention. While retention is when the relationship between the employee and employer continues and is successful, turnover suggests the separation of an employer and employee. Furthermore, turnover splits into functional- and dysfunctional turnover. When an employee that does not provide an organisation with much value leaves, it is considered a functional turnover. As it will not disrupt the organisation in a significant way. A dysfunctional turnover refers to a skilled worker who brings harm the organisation by leaving. Thus, in order to decrease dysfunctional turnover, functional retention must be revalued and strategized in order to minimize loss of skilled employees (Renaud, Morin, Salquin & Abraham, 2015, pp. 418-419). It can prove challenging to get enough insight into the organisations that the employees work at for the research but based on the fact that the employees are still working at their current companies and for the purpose of this research, it will be assumed that the interviewees could all be categorized as an incident of a dysfunctional turnover in case they would choose to leave their organisation at the present time.

In most industries today it is natural for employees to leave their job or position at one point or another. There can be many different reasons for this, but in general they can be categorized into three criteria's, retirement, dismissal, or voluntary resignation. While the first two factors are influenced by management, the last factor is entirely based on an employee's decision to leave the organization. Voluntary employee turnover is costly for organisations and affects them in more ways than just financial loss. The knowledge lost along with the possible loss of morale within the team as well as the uncertainty that comes with an environment of high employee turnover can have negative effect on the overall productivity of the organisation (Taplin & Winterton, 2007, pp.372-373).

It is important to mention that the relative turnover of employees depends on the industry they operate in and differs greatly between the organisations in each industry. Within the field of IT, where it can be hard to find capable employees, it can affect organisations productivity heavily if there is high employee retention (Taplin & Winterton, 2007, pp.372-373). Out of the three previously mentioned options, this research will focus on the voluntary employee turnover, the reasons behind employees considering leaving their organisations and possible reasons to stay. Three important factors have been defined and underline why it is so important for organisations to put focus on functional retention. First, the valued employees staying results in an elimination of replacement costs, second, it minimizes the loss of skill and knowledge and third, the decision to stay reflects their

job satisfaction which further reflects team morale (Renaud et al., 2015, pp.418-419). The reality is that high employee turnover is considered harmful by management due to the fact that it is expensive for organisations to replace their workforce, interrupts their organizational structure and infers a loss of knowledge that occurs every time an employee resigns. Turnover intention of an employee has thus been identified as a mental decision that is the approach the individual makes in reference to work, in order to decide whether to continue or look for another job (Pawar & Chakravarthy, 2014, p.835).

This study will focus on turnover intentions of the interviewees rather than causes of previous turnovers of the individual, with an open mind of discussing previous turnovers of the individual in case they have experiences they would like to share. In this context the importance of psychological contract has proven to be significant. Psychological contract is defined as the belief of the mutual obligations an individual has to a stakeholder like an employer. When this psychological contract the employee believe he has created with his employer is breached, the employee tends to retaliate by reducing their commitment to the employer (Sandhya & Sulphey M, 2020).

A previous study done on IT workers in India implied that the psychological contract, the empowerment, and employee management are keys to reduce employee turnover. Maintaining these key factors showed to have the greatest potential to retain IT professionals. Instead of putting all the focus on the contract itself, companies should therefore focus on key relational aspects of an employer within an organization. Those are socialization, development, and growth. The research suggests that the further studies can be done in this field with the focus on previously mentioned aspects (Sandhya & Sulphey M, 2020). These three factors could provide an insight into the everyday life the employee and the correlation between intentions to leave the organisation and job satisfaction.

A research done in the United States on over ten thousand IT workers indicated that IT certifications as a form of human capital proved to have a positive effect on turnover intentions (Quan & Cha, 2010, pp.340-348). These certifications allowed the employees to grow within their field. It was further identified that past turnover behaviour identifies a correlation for future turnover intentions. The research further indicated that certification programs and a reasonable reward for passing certifications, supported employee retention. The job security of employees also must be guaranteed. The results

indicated that employees worry about job losses due to outsourcing and offshoring of their positions. Communication between the companies and the employees is thus important in order to reduce anxiety that comes with the possible thoughts of a job loss and increased happiness of employees (Quan & Cha, 2010, pp.340-348).

2.1.2 Psychological safety as a key identifier and team efficiency

Psychological safety is described as the how far individuals can stretch in a secure and confident way in order to manage change within organisations (Schein & Bennis, 1965, pp.44-45). Psychological safety has been identified as a meaningful quality at a team level as well as on small organizational level. To this day, there is a lack of research on psychological safety in smaller organizations. Previous empirical research has confirmed that supportive practices and relationships at work support psychological safety, which in turn further support learnings, performances, innovation, and creativity among employees. It also has the desired effect of getting a rewarded employee replicating the positive behaviours towards other team members. Finally, empirical research confirms that psychological safety is of significant influence in the organizational level (Newman, Donohue & Eva, 2017, pp.521-535).

When organisations hire new recruitments there are a variety of things that need to be investigated. It is usually the individual with the most experience and knowledge which is chosen for a new position. To understand their internal workforce and effectiveness better, Google did an in-depth research that lasted over two years, conducted with over 200 employees to try and understand what the main qualities are that make a team effective. Their hypothesis was that a diversified and highly skilled workforce of individuals in different sectors would be the best combination for a successful team. To their surprise, the findings of their research implied that it did not matter so much who was on the team. The things that really mattered were how the team was interacting, how the structure of their work was and how they view their contributions to the project at hand. The research identified five key dynamics which were: Psychological safety, dependability, structure and clarity, meaning of work and the impact of work. Out of these five, psychological safety was identified as by far the most important dynamic of them all. The reason for that, was that the safer an employee feels within his team, the more

likely that employee is to admit to mistakes, ask questions without fear of being judged and less afraid of taking on new roles within the team. The research further identified that those individuals working in effective teams with high psychological safety were less likely to leave the organisation, more likely to utilize ideas from others and brought in more revenue. Finally, these teams were identified as being twice as effective as others with lower psychological safety (Rozovsky, 2015).

2.1.3 Turnover intentions of employees

Due to the well-known issue of the turnover intentions of IT employees in the IT sector, some organisations have taken actions with the goal of lowering their employees turnover intentions. There has been a trend within the sector to offer employees more flexibility at work, a home office, and increased salaries in an attempt to keep their employee turnover low. However, this has been with limited success. It is easy to assume that offering employees more money to stay would lead to significant drop in an organisations employee turnover, but results show that this has not helped in the way one would assume it would. It turns out that newly graduated IT employees still lack the significant skill set to do their job and require a significant time in order to be fully equipped to do their job. This results in organisations having to invest time and money to train their employees, making them an investment that is hard to let go off but easy to lose to competitors. there are three types of IT workers that have been identified in recent years (Uruthirapathy & Grant, 2015, pp.715-728). These three types are transactional transformational and professional advisory. Transactional workers are those dealing with general support and maintenance, data support, network services and more. The transformational worker is focused on application development and architecture, for example telecommunication strategies and trainings. The professional advisory has the characteristics of working with enterprise-wide standards, supporting software/hardware, IT strategy and infrastructure investment strategy in IT organisations. A research done on both IT employees along with non-IT employees within the IT-sector revealed that maintaining the IT workers is not the only issue the employer is faced with. In a research done on 1.190 employees in a medium organisation, results indicated that the non-IT employees were likelier to leave the company. The conclusion of the research was not

definitive but drew the conclusion that the work environment requires IT-skills which can be complicated and time consuming to understand, eventually becoming too challenging for the non-IT employees. Due to this, the non-IT employees might be tempted to look for a similar job in another profession, where the complexity of their environment is lower (Uruthirapathy & Grant, 2015, pp.715-728).

2.1.4 Herzberg's two factor theory

Frederick Herzberg introduced a two-factor theory on job satisfaction and motivation of employees. According to Herzberg, there are two different factors behind job satisfaction and job performance. He labelled one of them as “satisfiers” or “motivators” (Herzberg & Snyderman, 1967, pp.59-107). When the motivators that Herzberg identified are satisfied, the employee is considered motivations are considered to be appropriately fulfilled. The other label, ‘dissatisfiers’ cause dissatisfaction when not properly fulfilled. Intrinsic factors are categorized under motivators. These intrinsic factors are managed by the employee. The dissatisfiers are then the extrinsic factors controlled by the supervisor or someone else than the employee. What was revolutionary about the two-factor theory was that it does not define satisfaction and dissatisfaction as being on the opposite end of a measurement. Rather, the opposite of satisfaction is categorized as no satisfaction. Linearly to that, the opposite to dissatisfaction is no dissatisfaction rather than satisfaction. Extrinsic factors affect job satisfaction and can cause dissatisfaction, even though the requirements of motivating factors are being met (Herzberg & Snyderman, 1967, pp.59-107).

In this research, growth and achievement of employees can be categorized as motivators, an environmental factor. The relationship an employee has with his supervisor can then be considered as dissatisfiers that can cause dissatisfaction. It can however not cause satisfaction. It can be interpreted in the way that at the workplace you can expect a fair work environment and rules and policies should be intact for control. If these factors are mentioned it can cause employees to experience dissatisfaction (DeShields, Kara & Kaynak, 2005, pp.128-130).

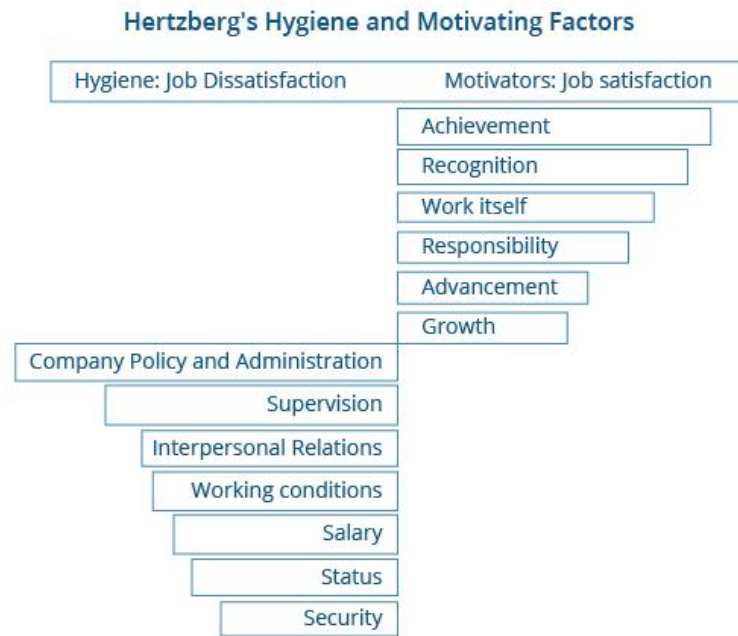


Figure 1: Herzberg's Two Factor Theory (KnolwedgeHut, 2020)

The two-factor theory, although being half a century old and somewhat simple, has proven to be essential in the understanding the basic needs of employees. As high employee turnover ratio in the IT sector seems to be having drastic consequences, the model of Herzberg's hygiene and motivating factors will be used in order to analyse the answers from the interviewees, comparing their feelings and opinions to both the hygiene factors as well as the motivators with the goal of looking for patterns in the answers to analyse the job satisfaction of the employees within the IT sector.

2.2 The VUCA Environment

As the business environment is changing and becoming ever more complicated various terminologies have been introduced to explain the complex situation at hand, one of them being VUCA, an acronym that stands for Volatility, Uncertainty, Complexity and Ambiguity. The term was originally used by the US military in the 1990's to explain hostile situations but was later adjusted into business terms to help explain the rapid changes happening in the global business environment (Gandhi, 2017, pp.1-2). Previous works have focused on explaining the theoretical background of the terminology of VUCA without researching how the VUCA business environment will affect the future functions of HR departments in an unstable environment (Horstmeyer, 2019, p.2). Research suggests that there is a need to explore the unknown situation that the VUCA environment might provide in the future because the lack of exploration leads to ineffective organizational systems if they fail to generate an understanding of the VUCA environments and the changes it comes with (Bartscht, 2015, pp.253-268). In order to understand the VUCA acronym it is important to look at each letter and what it really stands for, because therein lies an explanation of how complex the globalized modern-day business environment tends to be. Volatility can be defined as the most general definition of the VUCA acronym as it explains the relatively unstable change that happens. Although managers can be prepared for situations it is hard to predict the outcome as the volatile situation can be hard to read, likely to change and it could come swiftly and in waves (Bennett & Lemoine, 2014, p.313). The Uncertainty of VUCA focuses on the knowledge gap that companies sometimes face. As an example, something could happen or change but there is an uncertainty whether this will affect the business as there is not enough knowledge to confidently predict the possible outcomes. The Complexity of VUCA tries to explain the various political, economic, and geographical complications of an international market. Although the complications exist, it does not necessarily mean that they are volatile nor uncertain. Finally, Ambiguity explains the overall lack of knowledge of the business environment in general. As an example, the change from print to paper is one of those ambiguous situations. The only way to solve this is to experiment in order to reduce the ambiguous and thus, uncertain factors. It is argued that the VUCA is an invitation to analyse and create structure within the chaos

which is the fluctuating business environment of the 21.st century (Bennett & Lemoine, 2014, pp.311-317).

2.2.1 Human Resource Management and VUCA

Research on VUCA has introduced a refined abbreviation from ‘VUCA’ to ‘BEVUCA’ where the first two letters stand for business excellence (Saleh & Watson, 2017, pp.705-708). Previous works have thus focused on the business excellence of companies in a VUCA environment. Voluntary turnover, that is constant shuffling of workforces is one of the problems that HR departments are faced with in a VUCA environment as it reduces the effectiveness of the organisation and diminishes the morale of employees (Devi U & Kirshna, 2016, p. 53). For organisations competing in a highly turbulent business environment such as the IT sector, it is necessary to focus on maintaining their competitive advantage. One way of doing that is by focusing on reducing employee voluntary turnover within the organisation.

The VUCA theory was created as a response to the business world that went from being a stable environment, into an unstable ever changing one. Later, BEVUCA was introduced, to further explain how business excellence can be achieved in an VUCA business environment (Saleh & Watson, 2017, p.718). The VUCA environment has also called for agility in leadership where the need to anticipate the future is becoming ever more important. In order to achieve low employee turnover, HR departments must understand what is required of leaders if they want to become a key figure in the organizational structure in the VUCA world (Horney, Pasmore & O'Shea, 2010, pp.33-34). In this case, it can be argued that the ones responsible for HR processes are leaders when it comes to maintaining the employees. Companies should thus keep in mind that part of growing means keeping the employees onboard for longer periods, especially the ones with specific knowledge that is expensive to train. Thus, HR procedures are a vital factor in the fight against employee retention.

Research done on the importance of HR managers during change is essential in various fields such as communication, culture, integration and technology, which all help employees to adapt and decreases the resistance met (Maheshwari & Vohra, 2015, p.885). Lack of success in previously mentioned fields are all possible factors that could affect

employee turnover ratios. The leadership skills required in a VUCA environment is shifting towards having the abilities to know exactly where to go but being flexible when it comes to getting there. Leaders need to improve their ability to understand exactly how we know what we know. The ability to achieve dilemma flipping, where situations that are threatening and complex are taken and altered into an opportunity will be important as well (Euchner, 2013, pp.11-12). Research has indicated that organisations will need to shift their focus towards micro-management, focusing on their core business strategy and the knowledge of individuals within the organisation in order to grow their competitive advantage (Kelliher & Reinl, 2009, p.521). With high voluntary employee turnover it is clear that valuable knowledge that employees have will be lost. Further research indicates that responsible leadership style in a VUCA world is a combination of transformational, servant and authentic leadership (Sarkar, 2016, p.9). The focus of this study regarding VUCA is to magnify the importance of retaining the knowledge which is lost when individuals leave their positions and the way leaders can affect this by maintaining and training their employees.

2.2.2 VUCA's influence on information technology employees

A research done on the IT enabled business capabilities of developers identified that organisations have the tendency to cut corners in order to speed up the process. This tendency often leads to problems in the near future. Apart from leading to problems with the project itself it creates a stressful and hostile work environment where the pressure tends to be high. HR policies should thus be modified to challenge these issues and be aligned in order to create a better workspace for the employees (Sawy & Pavlou, 2008, p.146).

It has been common for IT professionals to quit their jobs in a direct relation to a stressful work life. A qualitative research done on information technology professionals in Western India revealed that the participants were facing a stressful everyday work environment that was caused by a heavy workload along with poorly skilled co-workers and a hard time to balance their family life with work. The research highlighted the importance of support from colleagues and supervisors along with time and sufficient training in order to decrease a stressful environment that could potentially lead to an

employee quitting. This is something that requires an immediate attention from the executives (Dhar & Dhar, 2010, pp.560-577).

A research done on the impact of VUCA in the energy industry offered a two-step approach on how VUCA's framework can be used to strategically respond to the changes that are summarized with the acronym. VUCA is not an industry- specific phenomenon and has to be considered in all types of industries. By unpacking the issues and understand their roots it could possibly help managers solve the issue at hand (Giones, Brem & Berger, 2019, pp.215-225).

2.2.3 Leadership in crisis

In the times of the Covid-19 virus it is likely to have an intense effect on the result of the research as the economic situation has declined drastically In March 2020. With the economic uncertainty the question remains whether employees will experience certain fear of their position with their organisation or if they feel that their job is secure. While this research was being conducted, the notorious Covid-19 virus was spreading around the globe, affecting the economic environment in the world. Because the research was conducted under the unclear economic situation it potentially impacted on the way the employees view their job safety and satisfaction. Furthermore, this is potentially the first economic slide that the generation coming out of university studies and starting full time work has experienced since the global economic crisis in 2008. The fact that over 500.000 thousand people have signed up for unemployment benefits in Austria alone by the beginning of April, is relevant to keep in mind that employees might not be looking around for another job opportunity at the moment. However, it also gives a unique opportunity to discuss the thought process of an employee who is experiencing these uncertain times first hand (Arbeitslosigkeit in Österreich, 2020).

Attracting, developing, and retaining IT employees is ranked among the most stress factors a CIO and IT executives face in their job. It is estimated that in IT organizations in the U.S., 50.6% of a company's IT budget is put into personnel-related expenses. (Kappelman et al. 2017, pp.47-80).

Problems that companies are facing along with high competition for skilled workers which causes them to switch jobs at a higher rate than others is the pressure that comes with the profession which tends to lead to IT employees leaving the field entirely. Job insecurity is also a high-risk factor. A research done on IT employees' willingness to leave an organization during crisis in the Brazilian job market used the push-pull-mooring perspective. This perspective is threefold, push factors motivate an employee to leave their current job, pull factors are those who motivate them to stay and finally mooring factors moderate an employee's continuance decision. From that perspective the research looked at job insecurity as a push factor, job satisfaction as a pull factor and finally professional self-efficacy is identified as a mooring factor (Bellini, Palvia, Moreno, Jacks & Graeml, 2019, pp.1472-1495).

Previous literature research revealed that the linkage between job insecurity and the intention to leave has not been researched in great detail. The research indicated that job insecurity in the IT sector is emerging despite the high demand for employees. In times of crisis the results showed indications that the IT employees would not necessarily be driven to switch only jobs but to pick up others skills and leave the IT sector entirely (Bellini et al., 2019, pp.1472-1495).

Research done on managers in Hong Kong and Australia revealed that a consideration leadership style had positive effects on job satisfaction and commitment. Consideration leadership has been identified as the way to go in western countries as they result in employees being more committed and satisfied in their job. IT can be described as the way which a leader exhibits concern for the welfare of the members of the team. It is a people-oriented leadership style (Bellini et al., 2019, pp.1472-1495).

Previous researches done on employee trust and work performance have shown that there is a great linkage between the two. One of those variables that affect this connection is employee engagement and leadership (Jiang & Luo, 2018, pp.150-154).

In critical times like during the Covid-19 outbreak, it can be argued that trust is a big factor in retaining employees and keep up motivation and efficiency. A research done on Authentic leadership where transparent communication and direct employee engagement showed clear signs of influencing the trust that employees showed towards their organizations. It also contributed to the employee's engagement.

Trust has been defined as:

The willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trust, irrespective of the ability to monitor or control the other party. (Mayer, Davis & Schoorman, 1995, p.712)

In uncertain times, during crisis it can be argued that it is very important for employees to trust their employers. As mentioned before, there is a high demand for IT employees and thus it can be argued that one of the key factors for managers to retain their workforce is by building a transparent and trustful relationship with their employees.

One of the ways to achieve this is by working under the conditions of an authentic leadership. It is defined as:

A pattern of leader behaviour that draws upon and promotes both positive psychological capacities and a positive ethical climate, to foster greater self-awareness and internalized moral perspective, balanced processing information and relational transparency on the part of leaders working with co-workers, fostering positive self- development. (Walumbwa, Oviolo, Gardner, Wernsing & Peterson, 2008, p.94)

This statement manages to summarize the importance of trust, leadership, transparency and teamwork in one sentence. Authentic leadership is split into four dimensions: self-awareness, internalized moral perspective, balanced information processing and relational transparency. Of those, the relational transparency is a key touchpoint for this research. It deals with the fact of sharing information, being true to your thoughts and feelings and expressing openness with others in order to get them to do the same. It is not only the employees that experience stress during crisis. The crisis managers themselves also experience stress. Results of the research revealed that while possibilities for controls were limited, an organizational and peer support proved to be an important role to mitigate the stress. Thus, it can be assumed that by successfully mitigating and discussing openly the stress factors with peers and subordinates, it is possible to better align the overall strategy of the organisation. It was further noted that there is a need for managerial training in order to deal with the situation. Regular managers of IT companies are not necessarily Crisis managers and might lack the experience to deal with the situations at hand.

Communication in leadership is the way a leader communicates and influences his team. If used appropriately, it should overcome interference, create and deliver messages that successfully guides its team to their goals. In theory, managerial skills consist of core, managerial, and corporate functions. Leaders must know how to elaborate on these skills, show emotional intelligence, listening skills and team management. Without good communicational skills it is hard to connect the three corners of the communication triangle. In times of stress this skill becomes highly important. A manager in a small to medium sized IT company should be able to expand on their employee relations and crisis communication.

3. Methodology

The following chapter will provide an explanation of the research design as well as a detailed description of the research method chosen, the qualitative research method. It will also provide information on the criteria and structure of the sample.

3.1. Research design – Qualitative Research Method

This paper will focus on exploiting the option that qualitative research offers to analyse the problems organisations are having with voluntary employee turnover in a modern-day business environment. As theorized in the secondary research, based on the VUCA environment terminology along with human resource and retention procedures. To address the research questions, a literature review was conducted on both the environment that the IT companies operate and, the VUCA environment they are dealing with. Furthermore, the importance of human resource management was introduced to amplify the significance they make for structured and successful organisations. The qualitative research method chosen for the research is an in-depth interview, with the focus on semi structured theory. The in-depth interview is acknowledged as one of the main data collection methods used in qualitative research (Ritchie, Lewis & Elam, 2003, p.56).

Semi-structured interviews have an open framework that allows for a two-way communication. Although the interviewer is following a guideline, he is encouraged to follow the topic when the conversation leads to another point that seems appropriate and possibly relevant to the research. It allows for the flexibility of going into more details when needed, even though those details might lie outside of the initial guideline created. Amongst advantages of a semi-structured interviews is the freedom participants have to express their views based on their own personal opinion, the two-way communication it encourages and the opportunity to learn something new it provides as it can lead to not only answering the research questions but also the reasons for the answer behind them. As some of the topics can be sensitive to the interviewee, it also helps individuals to discuss the topic in a more relaxed and less structured way. As with everything else there are certain things to watch out for. Interview skills are required and, preparation must be

appropriate and well planned. Questions cannot be leading, instead they must be of a neutral nature in order to set up parameters that allow for the individual to answer freely. The preparation is time consuming and last but not least a great deal of confidentiality must be ensured (Keller & Conradin, 2020).

Individual interviews were conducted as they offer the possibility of a detailed investigation of the individuals' opinions on the matter at hand. This research method offers up to a certain extent the clarification and detailed understanding of the research criteria (Ritchie et al., 2003, p. 56). In order to successfully analyse the interviews, the guidelines of 'theoretical thematic analysis' will be followed. This type of analysis is analyst driven. Although this type of analysis provides less description of the overall data it can help with analysing some specific aspects of the data (Braun & Clarke, 2006, pp. 78-85). In the end, recommendations for future organisations dealing with similar problems will be created based on the answer of the participants. The interviews are believed to provide a ground for future work on the motivational factors behind an employee's decision to enter and stay in the IT sector.

The key informants for this research are employees within small to medium sized organisations. They are chosen with the goal of gaining an insight into their views and feelings towards their own job security. This is done in order to grasp the situation in the market and see firstly, what the interviewees value in their work environment and secondly, what is pushing them towards exiting their current job. The goal is to search for a pattern in organizational behaviour that supports their employees job security and satisfaction positively, in order to create recommendations for IT companies who are dealing with employee turnover. The current situation of the Covid-19 will also be exploited, to see how the companies have been doing in regard to the engagement towards their employees and motivating them in these uncertain, unstable times.

3.1.2 Data Collection (Interview)

Qualitative research is a widely recognized research method within the academic field where one of the main pros is that it offers adjustments and refining of research ideas (Tucker, Powell & Meyer, 1973, pp. 383-399). Qualitative research seeks to answer questions such as who, what, when, where, why and how. Qualitative research is therefore

appropriate in research such as this one, where there is lack of information and knowledge regarding the research topic, where a quantitative research would be challenging to conduct. Qualitative research can thus contribute to the development of theories which is relevant to the further development and understanding of the VUCA theory from a human resource perspective (Dresing, Schmieder & Pehl, 2015, pp.6-7). Currently, there is lack of qualitative research that seeks to understand the needs and problems that people in business are faced with every day (Tucker et al., 1973, p.395).

To analyse the quantitative data, the inductive approach was chosen. It offers the opportunity to summarize extensive and possibly raw data into a summary, to create a structured guideline for organisations to follow. This specific approach offers easy, systematic procedures to analyse the data (Thomas, 2006, pp.237-238). The process of induction involves a way of creating generalizable inferences from the observations made in the interviews (Bryman & Bell, 2015, p.25).

Due to rapid social changes and highly diversified environment, the social environment is becoming ever more complex and previous theories and models are slowly becoming outdated. The social context of today's world does not always match research questions and hypotheses built on older models. Because of this, building research is at risk of being exposed and influenced on previous theoretical knowledge and values that does not give the correct image of the object being researched (Flick, 2009. p.12).

By acknowledging the fact that today's business environment, referenced to as the VUCA environment, is highly complex, this research will also focus on the work environment of the interviewee. This is also one of the key reasons why a qualitative research method was chosen as a first step introduction into the work environment of the employees within the IT sector.

The purpose of using qualitative research is to properly isolate the causes and its effects, operationalize theoretical relations and, importantly, allow the research to be investigated in a broader way. The goal is to isolate as much as possible the external influences on the interviewees and the observer. This is however easier said than done. It is clear that even though the external environment is controlled as much as possible, it will be influenced by different variables such as the social background of the interviewees and the interviewer himself (Flick, 2009, pp.11-14).

As stated by Bonß and Hartmann:

On the condition of the disenchantment of ideals of objectivism, we can no longer unreflectively start from the notion of objectively true sentences. What remains is the possibility of statements which are related to subjects and situations, and which a sociologically articulated concept of knowledge would have to establish. (Bonß & Hartmann, 1985, p. 21)

Based on this, even though the previous theoretical background has introduced research on IT employees both in India and in the United States, due to various social and cultural differences, it is not fully possible to compare the results of these incidences to the environment in Central Europe. This further justifies the necessity of a qualitative research approach as chosen in this research. Due to the complexity of socio-political topics and relations, qualitative research has been proven to give better results at this level (Flick, 2009, p. 25).

The success story of a research is not seen by testing theories and assumptions that are already tried, tested and proven. The goal of a qualitative approach is rather to find new information that can lay the groundwork for a development of a new theory and further research. (Flick, 2009, p. 15). Qualitative research further acknowledges the impact of the researcher. He is acknowledged as part of the research and everything the researcher discovers becomes part of the data (Flick, 2009 p. 16).

The research will therefore inevitably have the fingerprints of the individual or individuals conducting it. Therefore, it can be argued that more than one research is necessary on each topic in order to eliminate possible bias views that the researcher has on the subject.

The main goal of looking into previous research conducted on the same topics is to see where the research gap lies in order to discover one that needs further research. As the goal of qualitative research is to provide new information on a topic, it can be good to add to previous empirical research in order to add value to the topic. It can also be useful to work on the basis of a successful research to add layers to ground-breaking work that has already taken place. Empirical research or previous research on the same topic can be useful in two ways. On one hand, empirical research that is used in the theoretical preparation providing detailed information and good examples can be used as a guideline for the upcoming research setup. On the other hand, research that provides inconsistent

results or is inconclusive can be used as a guide for which pitfalls to avoid, and that way improve future research (Flick, 2009, p. 51).

3.1.3 Data Collection

The interviews took place from April to May 2020. An enquiry was sent to the interview candidates through email and by using the network of the University of Management Center Innsbruck and the University of Economics in Prague. In light of the Covid-19 situation, the lockdown, closed borders and the financial challenges many companies faced it proved hard to get participants to find time for the interviews. The target sample size was ten interviews but for the reasons listed above led to eight interviews being conducted.

All eight interviews were conducted with employees in the IT sector and the participants all work for companies in Central- and Northern- Europe. Furthermore, participants all work in different sectors within their IT companies. All participants had relatively recently joined their organisations, and no one had been working longer than two years at their company. This is not a surprise as they were all in the age between 23-30 and recently entered the job market as explained in the results section below. In total, three women and five men were interviewed. The interviews were all conducted through phone- or videocalls. The platforms used for the interviews and recordings were Microsoft Teams and Zoom. All interviews were conducted with the camera turned on for both interviewer and interviewee to maintain as much of a personal connection as possible.

The aim was to gain deeper insight into the work life of the participants and to create a more natural or social atmosphere in order to get the participants to relax and open up about their feelings and emotions. The participation in the research was voluntary and everyone was given the opportunity to decline to answer questions at any given moment. All eight interviews were held in English in order to keep the possibility of a language barrier somewhat the same. Only one participant of the eight was a native English speaker. All eight interviews were recorded and transcribed. In order to ensure the traceability of the interviews, the transcriptions of the interviews are provided in a .zip file saved in an enclosed USB file in the book cover of the research which was handed in

to the respective university. The interview transcripts were firstly analysed and secondly reviewed by comparing similarities between the answers and possible differences with the goal of identifying main areas of practices for IT companies to use in the future.

In order to exclude as many external factors as possible and to maintain consistency of data, the participants selected all work in Central and Northern Europe, regardless of nationality. Seven interviewees proved to work in a small organisation, one worked in a larger international organisation, but her work consisted of contacting a small team of people within the organisation.

Participant	Location	Size	Job title	Age	Nationality
A1	Austria	<50	Business Consultant	28	Danish
A2	Austria	<50	CRM Consultant	26	Austrian
A3	Finland	<100	Contact Marketing Manager	26	Canadian
A4	Czech Republic	<50	General Director	28	Dutch
A5	Austria	<50	CRM Consultant	25	Italian
A6	Northern- Italy	<4500	SAP PLM Team Lead	30	Austrian
A7	Austria	<50	Online Marketing Manager	24	Austrian
A8	Austria	<50	Business Consultant	23	German

Table 1: Description of the Interviewees - Created by the author

3.1.4 Data Analysis

All interviews were recorded through Zoom or Microsoft Teams and transcribed according to transcription rules of simple transcripts (Dresing, Pehl, et al., 2015, p. 23). The meaning of transcripts is when the transfer of an audio file to a written form takes place. It is inevitable that certain characteristics of interviews will be lost when transcribed, such as facial impressions and body language of the participants. The five steps followed during the analysis of the qualitative research data were the following: transcriptions, reading and discovery, organizing, summarizing, conclusion and critical reflection. The goal was to find similarities between the answers of the participants and systematically organize them in order to break them down into discussion points that would help with answering the research questions (Dresing, Pehl, et al., 2015, pp. 53-60). Initially the goal was to have saturated data by the end of the interviews but it can be argued that more interviews are required in order to completely saturate the data necessary to reach a full saturation, especially when motivational factors that were promised are not fulfilled.

4. Results

This chapter provides an overview of the collected data from the qualitative interviews. The empirical analysis is organized according to the interview structure. It is based on the main questions and themes of the interview structure in order to summarize the results in a structured and systematic way which will help answering the research questions. The following discussion points will especially be covered in order to link to together the multiple factors that influence employee retention. These factors are: motivations behind the decision to work in the IT sector, the importance of flexibility, the communication within the organisations, whether expectations have been met so far, the importance of flexibility, the communication and trust in correlation, the importance of team spirit, the reasons behind staying or leaving a firm, the opportunities of career development, the current situation with the Covid-19 virus, transparency and information received from the participants companies that the participants take on their future careers. The previously mentioned topics are all relevant topics when answering the research questions. In this part, key quotations from the interviews will be used to represent the main findings for the recommendations that IT companies could consider in order to maintain their employees for a longer period of time. All interviewees have requested to keep their identity confidential. Due to that they will from now on be marked by the different numbers assigned to them in table 1. The participants country and company name has also been redacted to maintain anonymity. As mentioned previously the aim is to provide consistency of data. The age group of employees is between the age of 23-30 years of age. This age group was chosen as the goal was to research the employees within the IT sector that have recently finished their studies and are taking their first steps within the field of IT.

4.1 Motivational factors

The motivational factors the participants mentioned as reasons behind starting to work in the IT sector suggest that there are numerous reasons for entering the IT sector. The participants did show a common thread of believing that the IT sector provided the best options and opportunities to grow at work in terms of learning new things that will

be of use in their professional careers. To explain further the participants believed that the knowledge they could gain would support them in the future as other industries are becoming more technical and will need skilled technical workers. Some mentioned that the possibility of getting a job within the IT sector seemed higher than in other industries. Personal connections played a role as well:

*“I came from a company that had previously gone bankrupt. That was the initial thing that made me need to look for another job. I currently live in ***** [city and country redacted] so most jobs for foreigners where the company language is in English tend to be in software companies, especially software start-ups. So, there is usually an abundance of jobs for young professionals who are in my field because I cannot speak the countries languages so most jobs that I have are software companies anyways. So, it was less about me telling myself that I wanted to stay working for a software company, it was just that 80% of the jobs available were for me there.” (A3)*

“One was that having from university I had a lot of courses evolving around technology and innovation which is what my company basically is doing. That was a good fit. Another reason was convenience as well.” (A1)

“What I like is that I have a lot of room for independent thinking and initiative. I really like to give my opinion on everything. There was a lot of room for me to bring in my own ideas. Next to this, what I enjoyed is that it is an international environment. Having been living abroad for so long I feel like I am more at home in an international company where the vibe is just different.” (A4)

“It was an opportunity I was offered due to family relations, I heard about the open position. Because I first started part time and they offered me the opportunity since it was a start-up to start as a part time employee. There were not so many other possibilities and I was open to try something new and because I have never worked in the IT sector as well. So, I thought why not, let’s try it.” (A7)

4.1.1 Reflection on how the companies have met the motivational factors

After being asked to identify their main motivators for starting to work for their respective companies, the participants were asked to elaborate on whether their motivational factors had been met so far or if there would be space for improvement. While some remained positive and mentioned the freedom they had and the opportunity they had to grow with regards to responsibility, there were some motivational factors such as money and the lack of opportunities mentioned, which were not fulfilled and seemed to create a lack of fulfilment with the participants. It is worth mentioning that participant A4 had recently changed jobs within the IT sector and thus, the participant reflects on the reason he chose to change jobs:

“I thought my company is more international than it is in fact. Just from a marketing perspective. But I already see much interest by other companies in someone being in IT. Just the fact that I am employed at the moment in the IT is already making me more attractive on the job market I would say. This has met my expectations quite well I would say. And I think another expectation of going into the IT, that it is still not only development work, IT in the limited way but quite a variety there in tasks and this was met also very well.” (A8)

“There were several factors. One is the most simple to explain which is money, I was being paid below average salary. I would not say it is the most important factor, but it is the easiest to explain so when I moved companies, I had a salary increase of around 30%. But the main reason why I wanted to move was because I did not see any room for career development in my previous company. The growth of the company was very low, actually negative near the end. I was already the marketing manager and we had no plans to build a marketing team simply because we did not have the revenue, the growth. A personal goal of mine would be to manage a real team and to specialize in the more narrow field of marketing which I am doing now, as a content marketing manager. I saw that move as the only option to develop my career in a faster pace.” (A4)

“Yeah, most of them, the big picture definitely. The things I mentioned before, the convenience definitely, the flexibility that comes along with it and also working

with digital products, agile software developments, I have been able to do that. So, I would say so.” (A1)

“They were met quite well actually. It was really the case that I am not told what to do and it is a lot of hands on mentality expected of you. But on the other hand, what was of course downsides that you only realize when you start the job. Which is of course that sometimes the expectations are a little bit too high because you are not that experienced.” (A7)

4.1.2 Deciding factors behind changing jobs

Next the participants were asked to elaborate more on their general feelings towards changing their jobs. The question did not necessarily mention the reason behind changing their current position but a more generalized opinion on what would be a factor for them that would make them reconsider their situation and want to look for other possibilities. The answers did show similarities behind the motivational factors that were previously mentioned. On top of that many mentioned that the relationship with their colleagues and the team plays a big role in their decision behind considering a voluntary turnover:

“First, I need to see a purpose in the activity I am doing. Also, the team is so important. And for me you are in a winning situation when you have those two factors. When you like your colleagues. You can like your colleagues, have a lot of fun at work but if you do not like the tasks you are doing then it also will not really make you happy. Those two factors are for me the combination of being motivated and getting up to work every day and be happy that you can do it.” (A5)

“First one is I always want to learn new things, so this is one main factor for me that I can always improve myself and I also need sometimes someone that pushes me to improve myself, because sometimes I’m also lazy and feel like chilling a little bit, and sometimes I really need someone, like the CEOs or the other co-workers say “hey, this is a nice chance for you to take this part of the project” and also if I say “no I have never done it”, they say “it is a good opportunity to learn. And the other strong point for me is really the team around me, I live from it.” (A6)

“I have to feel responsible for what I am doing. That is quite a leadership topic, to be responsible, whether you get responsibility in your tasks and so on. Also, you need to be safe in the way that you have someone to orient on. Especially for me at the beginning of my career right now. It is important to have someone to look up to I think and learn from.” (A8)

4.1.3 The importance of Flexibility

As previously mentioned, the participants were asked about their motivational factors and reasons behind choosing a career in the industry. Multiple participants mentioned flexibility as a crucial factor behind their job satisfaction. The flexibility came up in various parts of the interviews, but in all cases showed signs of being of significant relevance to the participants. When asked to elaborate on how the flexibility represented itself, the answers varied but showed positive correlation between flexibility and job satisfaction. The way flexibility presented itself was also in more ways than just flexible working hours or the freedom to work outside the office. The flexibility to be in control of their own tasks, taking on responsibility and having the trust of their superiors to carry out their work in the way they want to. This kind of flexibility was perceived as an opportunity to learn and grow within the organisation:

“As long as I work the hours I have to I can basically work whenever I want as long as it is okay with co-workers and meetings and so on. I can work more or less wherever I want. I can work from home and so which is nice as an international. If you for example go home or so you can do that and do not have to take holidays every time. I can also form my own tasks. I can say what I want to do within the frame of the project we are doing.” (A1)

“I think one of the most motivating aspects for me to start there was the flexibility of the job, that you can basically work from anywhere. You are totally IT related, you just are dependent on your laptop and phone. You do not need any physical documentary or anything. Also, that in my job branche especially, the consultancy you are promised to get to travel some days of the month or year and this is also interesting for me. Not just be in a stationary office.” (A2)

“I think flexible working hours and places, being able to work from home is one of the most important factors for me when choosing a company.” (A3)

“For the working hours, they are very flexible. One of the owners appreciates it when the employees come in early, between 8 and 9 am but it is not compulsory. They really have this attitude where it is not about the hours that you work but the result of your work. So, if you have three major projects that you need to finish this month and you can do it by using 20 hours per week then that is fine.” (A4)

4.1.4 Communication and trust

When asked about the communication with their superiors and the hierarchy level at the company in correspondence to that, participants mentioned the fact that the hierarchical setup within their companies was quite flat and as a result of that the communication felt relaxed and effortless. All participants were on first name bases with their superiors and did not show any signs of being worried about speaking their mind or having to worry about possible negative consequences of speaking their mind. All participants said that they could come up with suggestions and felt like they were heard. At the same time, they seemed to be willing to accept when another direction was chosen or a decision was made by the superiors, in conflict with what they had suggested as things were discussed before a decision was made. In correlation to that, those who did not have sufficient communication and trust felt they were not heard. However, when promises were made and broken, it reflected badly on the communication and job satisfaction:

“It is open, direct most of the time. My superiors are my superiors, they have the final decision and I have to respect that but to a certain limit. Always, I can bring in my opinions, they listen to them. If they find that they are not valid they make their decision. But open, direct and I can say whatever I want to honestly and it would not be taken badly.” (A1)

“I felt like they always acknowledged my concerns, but I got the impression that even if something was promised, you could not really count on actual action to be done. That was also very frustrating.” (A4)

“But the relationship to the CEO with the technical focus, the connection to him is more close because we have every day the stand-up and we talk about our problems and our obstacles in the work and so the relationship to him is very close and you also have the feeling that if you have an issue you can always talk to him. So, he is also very good in social things.” (A6)

“I would describe it super constructive if I can say this in English, it is well managed so there is a defined process on how we communicate. It is polite, we have nice tools to handle the communication within our company. We also have some processes put in place where we define who we ask first in order to solve a problem and communicating something. This is really important to have, structure of communication because otherwise it is a total mess. It is well managed, there is always a way to improve but I think it is already well managed in our company.” (A2)

4.1.5 The importance of team spirit

All participants worked in small organisations or only communicated with a few people within their company. Due to that fact, they were asked to elaborate on the importance of the team within the company, how they felt about their co-workers, how communication and work was going with the team. While most participants talked well about their team there were also some signs of frustration and one employee that was unhappy suggested that the lack of team spirit reflected negatively on the company in times of crisis:

*“The team spirit in our company now is really one important factor, it is one drive point of *****[company name redacted]. The team is young, also the CEOs are young, the idea is quite young. What do I mean with young? if you have older people, they have their ideas and they also say “I have done always like this, it’s working like this”. In our team we are also looking for new solution and the CEOs are also strongly pushing you to that direction.” (A6)*

“First, I need to see a purpose in the activity I am doing. Also, the team is so important. And for me you are in a winning situation when you have those two factors. When you like your colleagues.” (A5)

“It is definitely the team, that is one part which keeps me at the company also. The team is young and motivating as well. Everyone wants to advance the business, keep going forward and you can feel the spirit within the team.” (A7)

“Okay, I would say in our company it is, since we are a rather young team, the team spirit is quite nice since we are all in the same age and this is also important for me. In order to make a team balanced and equal. So team spirit makes work fun and it is important to be motivated. For me it is super important. This is the driver for me to go to the office.” (A2)

4.1.6 Reasons to stay within their company

The participants were asked to elaborate on possible reasons they could think of that would result in them staying or leaving the company and what factors were really keeping them at their job. Some decided to mention the reasons why they are choosing to stay while others decided to mention things that would be a cause for them to leave:

“What I am really passionate about is the utilization and digitalization of the technology. Recreating or developing more traditional industries and products and using technology to either make new ways of using the products or developing the products to be better. I think I’ll always somehow be in that area. But almost any industry will have technology or digitalization involved.” (A1)

“I am satisfied. It is interesting and I am developing and learning with what I am doing but I am missing the perspective within my firm. So, we are in many ways not improving, what I have seen in the last 2 years. And this in combination with the lack of different levels which you could step up to makes a perspective quite hard to find.” (A8)

“They overlap a bit. Sometimes I travel as well to go to exhibitions and clients and I really like that I have these varieties of tasks that I am managing. I am learning more about finance, about project management, I am travelling sometimes and that every day is different. On the other hand it is frustrating and also one of the reasons why I am considering to leave the start-up. You have to do

everything, and you are responsible for so many things that are such a high pressure and there is never, well now a bit more because we are growing.” (A4)

“I think the deciding factor for me to stay are actually what I mentioned before, the flat hierarchy. I have a problem with strict hierarchy and management so this would really make me stay if it comes to that. Also like I said before, the flexibility of working. Our equipment is so modern and good that we are able to be anywhere and anytime in any time zone. Also, especially in my job, I have great responsibility, regarding budget and a lot of projects and I have the trust to manage that and don't have to go through a lot of steps to go through this or that, they trust me and I can really profit on it and it pushes me further.” (A2)

4.1.7 The opportunity to grow

The participants all seemed to have the common motivational factor of wanting to learn and improve their personal knowledge. In general, they were positive towards their opportunity to grow at their firm. The importance of being allowed to take responsibility and being trusted for vital projects play a big role in their views towards personal growth. Being trusted by their superiors with tasks and projects was frequently mentioned. Although it did seem like there were limited opportunities for participants to grow into senior positions within the company, they accepted that as long as they are offered challenging tasks:

“I have the feeling I am getting better but also that my career is moving on, I am taking steps, getting more responsibility.” (A1)

“Yes exactly, and also not being the beginner, the junior because in our company you have the chance to be in a senior position quite early, you have to take responsibilities and prove yourself. This is really nice. Because we are so small. And I can put my nose into a lot of areas where I have no experience and get to know it.” (A2)

“Ownership is one, being able to be responsible for key projects and key tasks. Recognition is one, when you complete a project, reach a milestone or do

something good, having the recognition there, not just from the manager but also the team goes a long way.” (A4)

“There could be things to improve but in general I am really satisfied because they even want to know in which way I want to develop myself. They already told me twice that I can look for courses that I am interested in and that we have budget to finance some courses.” (A7)

4.2 The current situation with the Covid-19 virus outbreak

During the period the interviews were conducted, there was a worldwide virus outbreak and most countries were on lockdown. All participants except one (A4) were working from home. The participants were asked to reflect on their working situation, the effects it had on their views towards the company and the complexity that working from home introduced to them. Furthermore, the participants were asked to elaborate on their current job satisfaction and their possible view on the future of their professional career.

4.2.1 Effect of the Covid-19 the employee's

The participants were asked to reflect if the communication with their superiors had changed in light of the changes in their work environment. Some participants felt more responsible towards the company they were working for and were both willing to or had already taken wage cuts in order to strengthen their employer's financial situation and avoiding possible bankruptcy. Others had not felt the change in a negative way as their employers were doing better financially and not suffering revenue loss because of the epidemic. All participants agreed that because they work in a highly technical environment, their companies were ready to take the steps necessary to work from home and that the transition had been relatively simple:

“Communication has changed, because you are not physically present but not to the worse. We have covered our needs which basically means that for the projects we have ongoing we still have to communicate and hand out tasks which we have

but you have to be more precise, you have to prepare more and you have to know what you want when you talk to someone.” (A1)

I intended to leave and of course partly it is difficult to find a new job in these times, but I also feel a sense of responsibility towards the company. Also, because I am in charge of the financial forecasting, everything related to saving measures and I know my superiors would not be able to show the same insight or skill so they kind of need me. They could but it would be tough. I feel like I have a personal and professional responsibility to stay until the crisis are averted or I would find a perfect replacement for my position.” (A4)

“I actually like it. I see nothing bad. If it saves our job and helps the company, the reduce of 20% of my salary, sure it is a lot of money, but it is not like we would not survive without it. I mean, I think it is not the time to be selfish these days, so if we can support the team, the company and the economy why shouldn't we take these steps.” (A2)

“Yeah, it became better. Because they are reachable now. Management is not travelling anymore and meeting with persons anymore. So, everyone is in front of the desks now. This actually is making communication in some perspective easier I would say.” (A8)

4.2.2 Companies transparency under the current Covid-19 circumstances

After discussing the current changes in the communication, the participants were asked to discuss their feelings towards their knowledge of the various topics that could affect their job, things relevant to the situation of their company under the extreme external environmental challenges that their firms were facing at the time of the virus outbreak. The participants were asked if they had been briefed on their employers situation:

“It was only some remarks in the coffee meetings I would say. They just informed us that they had this and that client appointment now and they just told us basically that we have a lot of virtual client meetings and it is actually more than

before the crisis. We did not have a formal meeting but there were just some comments that they updated us with the situation.” (A7)

“The communication was rather transparent. We have our update meetings and we have the chance to discuss this with the team. If we have any questions or need any help, we can always find an open ear on that.” (A2)

“They did do a good job when the virus started, we actually increased the frequency our bi-weekly meetings to weekly meetings. In those weekly meetings there was an entire section dedicated to the creation of a corona virus taskforce, project, the sole output of those people was to develop new ideas on how to get revenue, new sources of revenue or how to mitigate the negative impact of sales. That was something they did do well. They took input from everyone in the company, they actually had an automated Slack message and a dedicated Slack channel where they would ask for ideas, just put your ideas down in a document and then they were addressed to see if they were feasible.” (A3)

4.2.3 The future with regards to the IT sector

Finally, the participants were asked to elaborate on their future within the field of IT, whether they saw themselves staying in the industry. The participants were split regarding their future prospect within IT. While some showed interest in staying, others were open to the idea of switching industries. Those who mentioned their future in IT showed signs of positivity towards their companies and had an educational background in the sector. Others, especially those who had entered their jobs due to co-existence were more open to leave the IT industry and try something else:

“Yes, that is for sure, because I think that the IT sector is really the best for my prospective and for my gusto. the IT consulting is more the right word, because we at the end we always have to be updated about new stuff because if I see other companies, let’s make an easy example, they have Microsoft office 2012, and they have it for 8 years, we in our IT consulting sector, we would never have something like this, we would have the newest software the newest processes and the newest staff and updated, and we always have to learn the new. And I really like IT sector and it is working well with my mindset together.” (A6)

“Because it is changing a lot and staying interesting thereby. Because it is very good money that you make. And because it is crucial to your customers. I think we have seen now in the crisis that many suppliers of raw stuff, automotive sector and so on, consumer goods. Many industries were stopped. Due to digitalization and the technology shift we see that IT sector is more or less becoming a system relevant issue for companies. If your IT system is not running, then there is no customer to supply. Because you can’t manage your own processes and that is what is making it super interesting, I think.” (A8)

“I am open to other fields but so far in my career all the best opportunities have been in the IT sector by a long shot. Until I see opportunities coming up on LinkedIn that are not in the IT sector then that is fine but maybe it is the location that I’m working. I work in the part of the world where the IT sector is very strong.” (A3)

5. Content Overview

In this final section of the research, the discussion will take place and the research questions will be answered. This will be followed by the main conclusion and recommendations. Finally, the limitation of the research will be introduced, critical reflection will be presented, and future research suggested.

5.1 Discussion

The findings of the qualitative research confirm the importance of successful communication within an organisation along with the importance of team spirit. The results emphasize that many participants enter the IT industry due to the abundance of opportunities provided within it rather than direct interest in the field. Although all participants stated that they enjoy the flexibility it offers and the opportunities for personal growth, there are signs that the participants do not see a long term future within their organisation due to the flat hierarchy and the lack of opportunities for career development in the long run.

The motivational factors for finding employment in the IT industry varied for the participants. Many chose to enter the IT sector due to the fact that it seemed easy and convenient to get a job there. Many participants were offered a part-time position alongside their studies, which many found a feasible option. The job provided them with a steady income along with the flexibility to work and study at the same time. The motivational factors of being challenged and appreciated were met in most regards. The participants also viewed having an IT position on their curriculum vitae would make them more attractive to future employers.

The importance of flexibility became clear during the interviews as most employees have flexible working hours and can work from anywhere. This proved a crucial factor for the internationals who are working as expats. This gives them the opportunity to travel and work at the same time, allowing them the freedom to go to their home countries for some time without having to spend most of their vacation days. Furthermore, the participants appreciated the understanding and flexibility that they have in their position. The setup

of a flat hierarchy was a factor that many found appealing as they felt like it offered a relaxed atmosphere and they are even encouraged to express their opinions. This helped them find a purpose in their work and the confidence to try and learn even though initially they lacked work experience. This is one of the key factors identified as an important opportunity that companies in the IT sector could exploit: to hire graduates early on in their career, motivate them and build trust. As a result of that, many participants felt a sense of responsibility towards their employer in the time of crisis when the Covid-19 outbreak happened. The participants felt responsible to take action and stay with their employer and were even willing to postpone possible career changes and reduce their salary short-term in order to make the financial situation easier for the companies. As mentioned in the literature review, there seems to be enough demand for employees in the IT sector. Due to that, the IT sector could consider lowering the requirements of a position within their firm and get students in early on in the process while both students and the firms are growing. By offering part time work to students, training them and shaping them in order to be prepared for bigger tasks after graduation could be one way to increase employee retention.

The results also suggest that most participants did not see a direct future within the IT sector and would like a new challenge in other fields. This correlates with the issues stated in the literature review, the issues companies face when it comes to maintaining employees. The participants all worked in small teams and do not believe that they can grow their professional career in the long term at their employer. This provides certain problems for the IT sector. This could be resolved by discussing the employee's future within the organisation and aligning the goals of the employees with the future goals of the company. There is a chance that if a company grows, the numbers of employees will increase, and new positions will present themselves. However, this did not seem to have been communicated with the employees, which in turn believed that their future would lie elsewhere. By allowing employees an environment where they can grow and further create opportunities for them to grow, it could present new long-term opportunities for experienced employees in the organisation and thereby reduce employee turnover.

The importance of a highly functioning team was another factor mentioned. The participants appreciated their teams, the spirit within and felt that the atmosphere was motivating as they could relate to their colleagues. This was one of the key reasons they were motivated to get up in the morning and head out to work. The social bond they had

created with their colleagues made many excited to go to work. The participants acknowledged that their companies did spend time on team building but also thought that it was not only the employer who should initiate this. A point to be taken from this is that companies could encourage their teams to have more activities that strengthens the relationship between their employees.

In contrast to what was expected, the Covid-19 situation had strengthened the bond between the participants and their employer. They felt the responsibility to do what they could in order to assist the company in the face of crisis. Results showed that they felt well informed about the current situation and appreciated the lengths that their employer had taken in order to secure their job positions. All participants specifically mentioned that since the Covid-19 outbreak started, no one within their firm had been let go as a direct result of the crisis.

The participants mostly showed signs of positiveness to the nearby future within their organisation since they felt like they still had more to give and the possibility to grow in their professional career. For the longer run, few participants showed signs of wanting to stay with their employer. One participant had recently switched jobs due to his dissatisfaction with the previous employer. After experiencing a lack of challenges, broken promises, and dissatisfaction with his salaries he decided to switch jobs.

For all participants that did not have an HR representative at the company, the CEO was in charge of the HR tasks and responsibilities. On top of their responsibilities as CEO they had also taken on the task as the employee champion and a change agent. Overall, they seemed to be handling the processes well as there was a general satisfaction with the communication between the employee and employer. The participants all acknowledged that they felt comfortable to discuss sensitive topics with the CEO regardless of whether it was a personal or work-related situation. It should be pointed out that those companies did not exceed employee numbers of over 25 people making it natural for the CEO to attend to HR duties as well.

The results show that more could be done to improve motivational factors in the Herzberg two factor theory. By using the Herzberg's two factory theory to analyse the data, certain motivational factors for job satisfaction are identified. For the participants that were satisfied at their job, achievement, recognition of their work, the responsibility given to them along with personal growth are all identified as positive factors that reflect on the

job satisfaction of the participants. There is however the need to increase the motivators for future opportunities for employees within the companies, especially in the long term in order to maintain the employees. By looking at the hygiene factors of the Herzberg theory, where job dissatisfaction is shown, there are a couple of things worth mentioning. Salary and status are two hygienic factors that are not being fulfilled for some participants and it reflected negatively on their view of their job. The results indicated that the hygienic factors being met were job security, working conditions, interpersonal relations and administration. The participants who reflected positively on these factors all seemed to have a more overall positive view on their work situation and future internal prospects. Out of those factors, interpersonal relations along with the working conditions and the flexibility offered are identified as key factors that should be the main focus of the IT companies. If these factors are not being met at an IT firm, a conclusion can be drawn that the employees experiencing these negative factors are more likely to start looking around for other positions. It can also be suggested based on this research that interpersonal relationships are not just a hygiene factor, but also motivating factors based on the fact that team building and communication with superiors seemed to have a motivating effect on the participants.

Based on the outcome of the qualitative research, this paper suggests the following points to be the most important factors for increasing employee retention:

- (1) Meeting the motivational factors of the employees. Meeting the expectations, the employees have when they start will reflect greatly on the job satisfaction.
- (2) Allowing employees to be flexible in regard to working hours and where they work from, will increase the likeliness that an employee experiences job satisfaction.
- (3) It is important to challenge the employees, give them responsibilities, the opportunity to express themselves and continuously challenge them without making the workload too heavy. These factors will result in a motivated employee that is willing to put in the time and effort to succeed.
- (4) The importance of team spirit has been highlighted as a crucial factor. It is important for companies to provide the base for employees to start from in order to create a strong team. All participants mentioned the importance of team spirit for their job satisfaction.
- (5) Personal communication must be in place in order to create trust. Communicating in an informal, transparent, and organised manner will make the employees feel more at home.

The results indicate that the Herzberg two factor theory can be used to analyse job satisfaction of employees within the IT sector. Although the theory is not new, it shows signs of being a simple tool that IT companies can use in order to measure their employees job satisfaction.

5.2 Conclusion and recommendation

As mentioned in the literature review, the importance of retaining employees within the IT sector is becoming one of the biggest problems companies face. This research underlined the importance of transparent communication and engaging with employees in order to challenge and support them to thrive at the workplace. Although the importance of these previously mentioned factors were only researched from the employees side and not from the companies perspective, they suggest that there is a great deal IT companies can do in order to decrease their voluntary employee turnover. The employees are conscious of the important role they play within their firm, but they also realise that the knowledge they are gaining will make them sought-after candidates for bigger positions in other firms.

The results suggest that the IT companies are putting in the time and effort to make sure that their employees are satisfied. There are however signs that although companies are performing well on certain topics, they could do more in order to make their strategy towards retaining their employees more organised and consistent. Based on the results, the participants experience this as being more random than a structured approach the companies are following.

By addressing the first research question of this paper *“What are the main reasons behind voluntary employee turnover in small to medium international organisations?”* and based on the outcome of the qualitative research, the author proposes that the companies sit down with their employees and discuss their future within the organisation. By reflecting critically on the current situation, discussing motivational factors and proposing a plan for the future growth of the employees within the organisation it could reduce the situations that come up when the employees feel saturated and decide to start looking for other possibilities.

By addressing the second research question of this paper *“How is Leadership management in crisis affecting employee bonding and the subordinate’s feelings towards their future at the company?”* the author proposes to keep the hierarchical level at a minimum and to maintain the open dialogues and relaxed atmosphere between the supervisors and their subordinates. The research implies that this is having a direct effect on the subordinate’s feelings towards their future. During the current crisis, the results

suggests that this personal relationship has helped them with realizing their importance within their organisation and reduced their willingness to leave. Furthermore, companies should keep in mind that if promises are made, the superiors should strive to follow them up instead of sweeping them under the table as this proves to create distrust and dissatisfaction.

By addressing the third research question of this paper “*How are the crisis affecting the employees?*” the results indicate that within the IT sector it is not having negative effect on employee retention, rather it seems to increase it. In fact, the way the IT companies seem to be handling the situation is reflecting positively on the job satisfaction of the employees according to the results. Because the IT companies are already highly digitalized, the transformation from office work to working from home has had no real impact on the employees. If anything, they showed signs of a more positive attitude towards their employer as they felt like their jobs are safe and unlike other job sectors, business was continuing mostly as before the crisis. A continuous status update on the company’s financial and future situation proved to be important in order to motivate the employees.

5.3. Limitation and future research

The limitations in the research will now be identified and addressed for the purpose of this study and its limitations. The in-depth semi structured interviews used in this research have not been standardized and thus offer a certain amount of liability. The questions are not standardized and thus it cannot be assumed they would provide the same results if they were to be used again. To a certain degree it must be acknowledged that there is a certain bias present between the participants and the interviewer. When the interviewer reflects critically upon his work, it can be assumed that the researcher's inexperience in qualitative research opens the possibility to a bias in the interpretations of the answers. Furthermore, the chance exists that the participants chose to maintain certain delicate information for themselves. If this has occurred during the interviews, it has led to the questions being only partially answered. Furthermore, due to the time restrictions of the project, it may have led to a missed opportunity in the length and depth of answers.

Due to the small number of participants, it is likely that the participants will not provide a wholesome reflection on the whole industry under research. Future research could provide a bigger sample size followed up by quantitative research. However, due to the fact that the research was conducted in a qualitative way, it can be acknowledged that the main goal of the research was not to look for generalized answers but rather to look for deeper understanding of the participants, their motivations and outlook on their professional career and its future. Each of the aforementioned problems must be taken into consideration when reading the results. Finally, a possible bias due to language barriers might exist. English was the chosen language for the research which is not the native language of the researcher nor the participants, apart from one. This could have created a bias in the interpretation of the answers as well as leading to knowledge being lost in translation as participants formulated their thoughts.

Future research could focus on the comparison of medium sized companies and compare the results with the goal of identifying where the HR related tasks become too time consuming and start affecting companies in a negative way. Future research could further apply the research methods to larger organisations with bigger structures to compare if employees in these organisations are likelier to see a future within their workplace.

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Appendix

Block 1:

Question 1: What motivational factors were behind your decision to start working at your current employer?

Maintenance questions:

Who managed your job application, interview and introduction days

Question 2: How have these motivational factors been met?

Maintenance questions:

Have they exceeded your expectations?

Are there additional motivators?

Question 3: What are the deciding factors that make you want to stay or leave your job?

Maintenance questions:

What are the reasons behind your willingness to stay/leave?

Question 4: How would you describe communication within the company between you and your superiors?

Maintenance questions:

Any specific goal/results related to that?

How has this communication been during the Covid-19?

Question 5: How important is team spirit in your company?

Maintenance questions:

What does the company do to maintain positive morale?

How has the team morale been reflected in the crisis?

Question 7: Has your communication with the managers changed during the current situation? If yes, How, why? If not, how not?

Maintenance questions:

If yes, what did they notify the reason being for leaving?

Did the company make a counteroffer to try to persuade them to stay?

Question 8:

How would you rate your job satisfaction in your current job?

How do you assess your job satisfaction/dissatisfaction?

Question 9: Why did you choose a career within the IT sector?

Maintenance questions:

Question 10: How has the company met the current challenges at hand?

- **How do you feel discussing the topics within your organisation?**
- **How are the companies**

Block 2: Covid -19

Today's business environment

Question 10: Have your intentions to stay or leave the current company changed during the Covid-19?

Maintenance questions:

How?

Why do you think this is?

Question 11: How has the company engaged with employees under the current circumstances?

Has the communication been transparent?

How do you feel the company is managing to maintain the job positions within the organisation?

Question 13: Where do you see yourself in five years?

Maintenance questions:

Why do you think you will be there/somewhere else?

Does your future involve working in the IT sector?

Maintenance questions:

What are the reasons behind your answer?

Question 16: Is there anything else you want to talk about?